

# City of Amarillo Texas



## 1913-2013

### Celebrating 100 Years of the City's Charter



## Comprehensive Annual Financial Report Fiscal Year 2012 - 2013

# CITY OF AMARILLO, TEXAS

## Comprehensive Annual Financial Report

Fiscal Year Ended  
September 30, 2013



Prepared by:  
Finance Division

Michelle Bonner  
Assistant City Manager  
of Financial Services

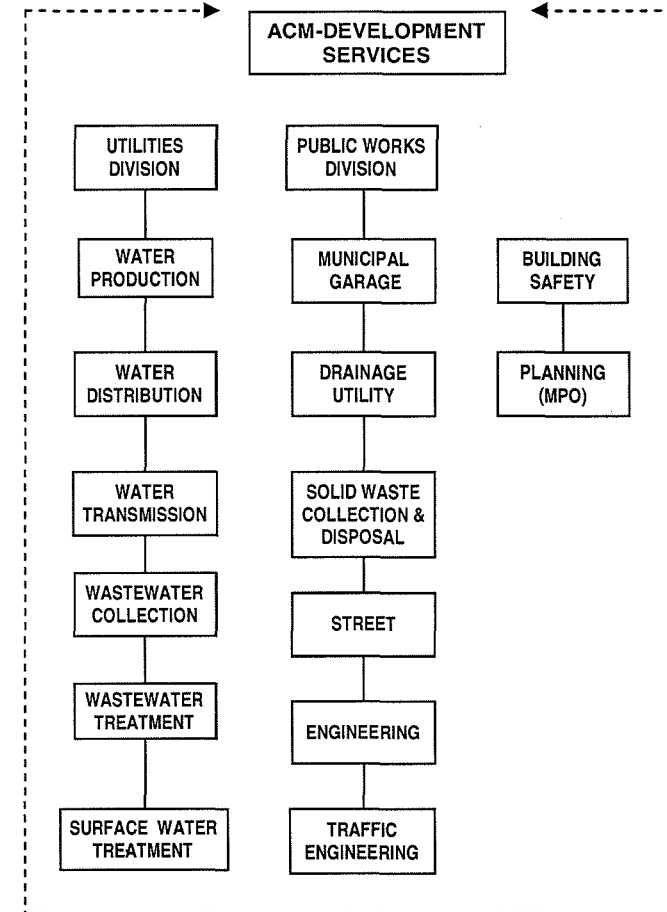
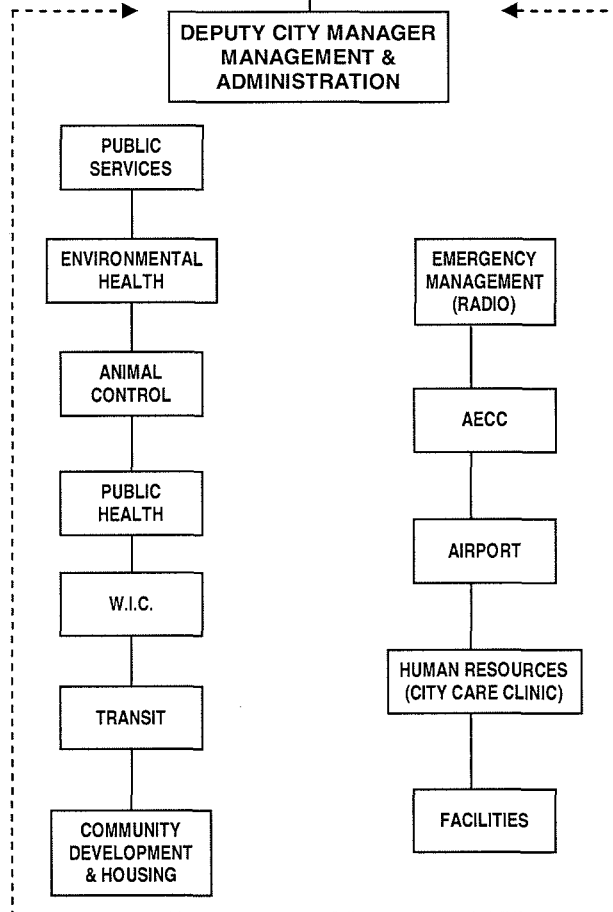
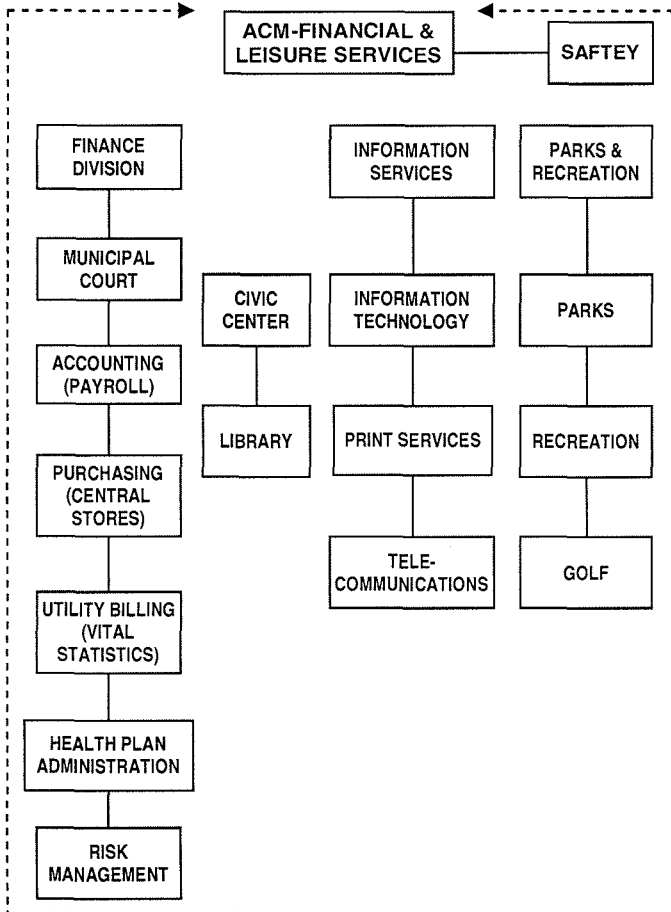
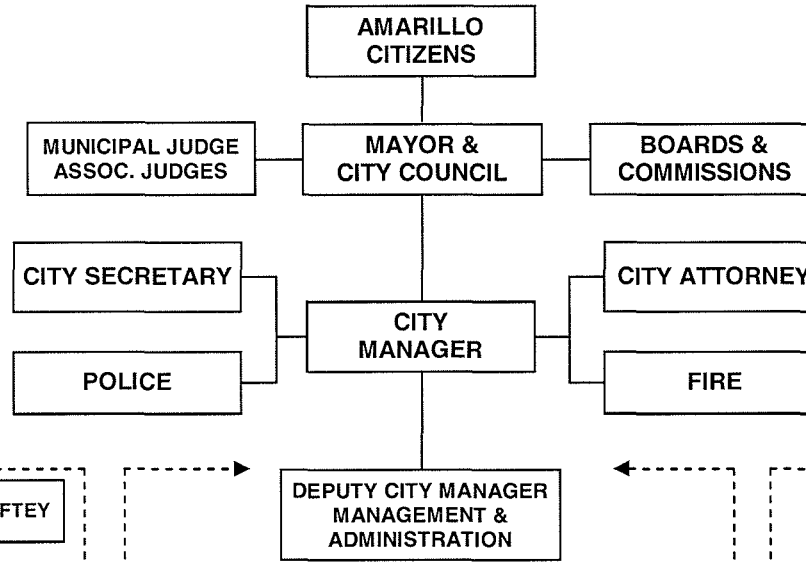
**BOARDS AND COMMISSIONS**

- Advisory Commission for People with Disabilities
- Airport Advisory Board
- Amarillo Economic Development Corporation
- Amarillo Firemen's Relief and Retirement Trust
- Amarillo Hospital District Board of Managers
- Amarillo Housing Corporation
- Amarillo Housing Finance Corporation
- Amarillo Industrial Development Corporation
- Amarillo Local Government Corporation
- Amarillo-Potter Events Venue District
- Animal Control Board
- Bi-City-County Public Health Board
- Board of Appraisal Review
- Board of Review for Landmarks and Historical Districts
- Canadian River Municipal Water Authority
- Center City Tax Increment Reinvestment Zone #1 Board (TIRZ)

**CITY OF AMARILLO ORGANIZATION CHART**

**BOARDS AND COMMISSIONS**

- Civil Service Commission
- Community Development Advisory Committee
- Comprehensive Plan Implementation Advisory Committee
- Construction Advisory and Appeals Board
- Convention and Visitors Council
- Downtown Urban Design Review Board
- Emergency Care Advisory Board
- Health Facilities Corporation
- Library Board
- MPO Policy Advisory Committee
- Parks and Recreation Commission
- Photographic Traffic Signal Enforcement Committee
- Planning and Zoning Commission
- Public Improvement District Boards
- Traffic Commission
- Zoning Board of Adjustment



**CITY OF AMARILLO, TEXAS  
PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2013**

**GOVERNING BODY:**

Paul Harpole  
Ellen Robertson Green  
Brian J. Eades  
Lilia Escajeda  
Jim Simms

Mayor  
Councilmember No. 1  
Councilmember No. 2  
Councilmember No. 3  
Councilmember No. 4

**OTHER PRINCIPAL OFFICIALS:**

W. Jarrett Atkinson  
Vicki Covey  
Michelle Bonner  
Marcus Norris  
Frances Hibbs  
Curtis Bainum  
Michael Rice  
Emmett Autrey  
Robert Taylor  
Rod Tweet  
Jeff Greenlee  
James Brown  
Lori James  
Laura Hastings

City Manager  
Deputy City Manager  
Assistant City Manager Financial Services  
City Attorney  
City Secretary  
Director of Finance  
Director of Public Works  
Director of Utilities  
Police Chief  
Director of Parks and Recreation  
Fire Chief  
Information Services Directors  
Director of Human Resources  
City Auditor



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Amarillo  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

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# CITY OF AMARILLO

OFFICE OF THE  
CITY MANAGER

January 21, 2014

To the Honorable Mayor and Council Members  
City of Amarillo  
Amarillo, Texas

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Amarillo (the City) for the year ended September 30, 2013 in compliance with Article III, Section 27 of the City Charter. The purpose of the report is to provide the Mayor, City Council, City Staff, citizens, bond holders, and interested parties with useful information concerning the City's operations and financial position. The City is responsible for the accuracy, completeness, and fairness of the data presented in this report.

To the best of our knowledge, the following report is accurate in all material respects. It has been prepared in accordance with standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA) and other rule-making bodies. We believe the report contains all disclosures necessary for the reader to understand the City's financial affairs.

The City Manager, through his appointee, the Assistant City Manager for Financial Services, is responsible for establishing and maintaining an internal control structure to ensure that the assets of the government are protected from loss, theft or misuse, as well as to ensure that adequate and reliable accounting data are compiled to allow for the preparation of accurate financial statements in conformity with accounting principles generally accepted in the United States of America. This internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met, and it is continually modified to accommodate new technology and other changing conditions. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. In our opinion, the City employs sound accounting and control policies that fulfill these responsibilities.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. In our opinion, the City employs an appropriate level of control and review procedures to ensure compliance with all applicable requirements.

We believe that this report is accurately and fairly presented, and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Independent audits are an essential element of financial control and accountability. The City Charter requires an annual audit to be made of the financial records of the City by a Certified Public Accountant selected by the City Council. The City has complied with this requirement and the auditor's opinion has been included in this report. The auditors performed their examination in accordance with generally accepted auditing standards and stated that in their opinion; the financial statements are

presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133. Information related to the City's single audits, including the Schedule of Expenditures of Federal Awards and the auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in separate federal and state "single audit" reports.

To facilitate the study of the City's financial affairs, the CAFR is divided into three parts:

- An introductory section, which includes this letter of transmittal.
- A financial section, which includes the basic financial statements and accompanying notes, combining and individual fund statements and related schedules, required supplementary information regarding budgetary compliance and pension trend data, and other supplementary information such as details concerning capital assets, investments, ad valorem taxes, and outstanding debt. The report of the independent auditors is located at the beginning of the financial section and is followed by Management's Discussion and Analysis. Also provided, as "Supplementary Information" in the financial section is certain historical and detailed information concerning our water and sewer system, investments by funds, and ad valorem tax schedules.
- A statistical section, which includes selected financial and demographic information, generally presented on a multi-year basis. Information included in the statistical section is not part of the City's financial statements, although the material is part of the CAFR.

Effective with the 2010/11 fiscal year, the City implemented Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued by the Governmental Accounting Standards Board (GASB). This statement established accounting and financial reporting requirements for intangible assets to reduce inconsistencies. The statement considers a variety of assets to be intangible under the guidance put forward by GASB Statement No. 51, including:

- Computer software: Internally developed or licensed software purchased from external sources.
- Land use rights: Easement, water, timber, mineral rights and other land use rights.
- Intellectual rights: Patents, trademarks and copyrights.

Most of the City's computer software is not internally developed, and the City does not own any patents or copyrights. The City's intangible assets consist of right-of-way easements. The right-of-way easements have an indefinite life and, accordingly, are not subject to amortization. GASB Statement No. 51 encouraged retroactive reporting for intangible assets acquired in fiscal years ending after June 30, 1980; however, it was not required for intangible assets with an indefinite life. The City elected to report these assets prospectively. Details relating to the City's intangible assets are provided at Note 6.

This will be our sixth annual report under the GASB Statement No. 43, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits*. Both statements deal with the accounting of post-employment benefits other than pensions. The City's most significant post-employment benefit, other than the pension benefit, is that retirees are allowed to continue their medical and dental plan coverage, including dependant coverage, after retirement. Historically; cities, including the City of Amarillo, have accounted for other post-employment benefits (OPEB) on a pay-as-you-go

basis. Using the pay-as-you-go method, the benefit is not recognized during the career of the employee when it was earned. Moreover, the pay-as-you-go method does not recognize the liability for the future benefit. With the pay-as-you-go method, the expense is recognized after employment, which can shift the burden for the expense to different groups of taxpayers or customers. With GASB 45, the cost of the benefit is recognized as an expense over the working career of the employee and the related obligation for the future benefit is recognized as a liability. While the City is required to recognize this cost, the City can still fund the benefit on a pay-as-you-go basis. Effective January 2013 the City begin funding an OPEB trust. The City intends to fund the trust prospectively at 2.43% of payroll on top of the pay-as-you-go payments. The annual cost and liability for Other Post Employment Benefits is recognized in our Employee Insurance Fund

The GASB in their Statement No. 44, *Economic Condition Reporting*, required some additional information in the statistical section. This will be seven years of reporting under GASB Statement No. 44. There are more schedules and more detailed information in the statistical section of the report. The purpose of GASB Statement No. 44 was to improve the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by GASB Statement No. 34. In order to clarify that the requirements are applicable to all types of state and local governmental entities that prepare a statistical section, this statement establishes the objectives of the statistical section and the five categories of information it contains—financial trends information, revenue capacity information, debt capacity information, demographic and economic information, and operating information. In addition to the items required by GASB Statement No. 44, we have added a schedule of building permits issued to the demographic and economic information.

Effective with the 2002 fiscal year, the City implemented GASB Statement No. 34. This statement established an accounting model for governmental entities, which made significant changes in such matters as fund definitions, measurement focus and basis of accounting. Readers who are familiar with the City's financial statements for prior fiscal years noticed a significant difference in presentation resulting from this standard.

For many years, the City discharged treated effluent wastewater into a playa lake in full compliance with a State of Texas issued environmental discharge permit. A plume of water developed beneath the playa that has slowly migrated outward. The most notable feature of this plume is that it contains slightly more chloride content than the ambient groundwater in the vicinity. The City has been monitoring nearby homeowners' water wells for about twenty years. When the chloride content tests above a certain amount, the City has routinely drilled replacement wells that are deeper than the plume and has encased the wells to prevent the plume from affecting the taste of the well water or has also installed reverse osmosis treatment systems for homeowners to enhance the taste of their well water. The chloride in this groundwater does not meet any state or federal definition of pollution or contamination; the water is safe to drink and is, in fact, of equal or better quality that that in the City's potable water system. The City intends to continue this practice in the future as a good neighbor to surrounding homeowners. The City has, accordingly, recorded a liability of \$3.1 million for the future practice of monitoring wells and providing replacement wells and treatments systems in the Water & Sewer Fund.

Following the report of the independent auditors is Management's Discussion and Analysis (MD&A). Although the Securities and Exchange Commission has required public companies to present MD&A for many years, this requirement, promulgated by GASB Statement No. 34, was new to governmental financial reporting. The objective of the MD&A is to provide an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. The Statement specifies the topics that must be included in the MD&A, and we believe that our presentation is in conformity with this standard.

## Profile of the City of Amarillo:

The City of Amarillo is geographically located within the boundaries of both Potter and Randall Counties in the center of the Panhandle of Texas, and now contains an area of 101.83 square miles. Located on Interstate Highway 40 at the crossroads of a number of other highways and railroad lines, the City is the trade, banking, transportation, medical services and marketing center of the entire Panhandle, as well as for portions of New Mexico, Oklahoma, Colorado, and Kansas. The estimated 2013 population is 196,336.

In accordance with its current Charter, adopted in 1913, the City of Amarillo operates under a council-manager form of government. As the legislative body, the City Council is responsible for enacting all ordinances, resolutions and regulations governing the City, as well as for appointing the members of the various statutory and ordinance boards, and appointing the City Manager. As chief administrator, the City Manager is responsible for enforcement of the laws and ordinances, as well as for supervising all offices and departments created by the City Council.

The City provides the full range of municipal services normally associated with a municipality, including police and fire protection, street paving and maintenance, traffic engineering, enforcement of building and sanitary codes, a civic center complex, parks, golf courses, swimming pools and other recreational facilities, and five public libraries. The City provides solid waste collection and disposal services and operates a transit system, which operations are accounted for as general governmental functions. The City maintains the water and sewer systems and an international airport. Effective October 1, 2012, the City established a Drainage Utility System, the operations of which are accounted for as an enterprise fund.

## Overview of the Financial Reporting Entity:

In accordance with governmental accounting standards, various governmental entities with which we have relationships were evaluated to determine whether they should be reported in the City's combined financial statements as a part of its reporting entity. Based on standards established by the GASB, an entity should be considered to be part of the City's reporting entity if it is concluded that the nature and significance of the relationship between the City and the entity is such that exclusion would cause the City's financial statements to be misleading or incomplete.

Based on the accounting standards, the financial affairs of the Amarillo Hospital District, the Amarillo Economic Development Corporation, the Amarillo-Potter Events Venue District, the Amarillo Local Government Corporation, the Amarillo Housing Finance Corporation and the Amarillo Health Facility Corporation are reported as component units in the City's financial statements. The Amarillo Local Government Corporation was created in 2011/12. The Amarillo Local Government Corporation's mission is to oversee the construction and operation by contract of the Downtown Convention Hotel, parking garage, and multiple-purpose event venue on land leased by the Local Government Corporation from the City. The City appoints the Amarillo Local Government Corporation Board, approves their budget and is the only funding source for the Corporation. The Amarillo Hospital District is a separate political subdivision of the State of Texas, but is considered part of the City's financial reporting entity because the City Council appoints the District's Board of Managers and has final authority over its budget and tax rate. Similarly, the Amarillo Economic Development Corporation is organized as a nonprofit corporation under the laws of the State of Texas, but is included in the financial statements because of the City Council's authority to select its Board of Directors and approve its budget. The Amarillo-Potter Events Venue District, approved by the voters on January 17, 1998, is considered part of the City's financial reporting entity because the City's Mayor appoints four of the seven members of the District's Board of Directors. Moreover, through a facility lease agreement, the City has financial responsibility with respect to the Venue District's debt service payment(s) if the related tax revenues were not sufficient to make the payment(s). However, only summarized information regarding these entities is presented in

our financial statements. Complete financial statements are available in separately issued reports for each of these entities.

The affairs of the Amarillo Housing Finance Corporation are included in our financial reporting entity because of the City Council's appointment of its Board of Directors. The activities of this corporation are limited to issuance of housing bonds under provisions of the Texas Housing Finance Corporation Act, and its bonds are not general obligations of either the corporation or the City. It does not publish separate financial statements. The Amarillo Health Facility Corporation's Board of Directors is appointed by the City Council. The purpose of the corporation is to authorize the issuance of bonds to providers of health care services in order to finance the acquisition, construction, and improvement of facilities. These bonds are not general obligations of either the corporation or the City. Since none of the component unit operations are integral to the operations of the City, their affairs are segregated from the financial presentation of the primary government. As provided by the new accounting model, the aggregate component unit information is reflected "discretely" in the city-wide financial statements.

The City adopted GASB No. 61, *The Financial Reporting Entity*, for the year ended September 30, 2013. Under GASB No. 61, the City reports TIRZ #1 as a blended Component Unit. TIRZ #1 has a ten-member board. The City of Amarillo appoints three board members, Potter County appoints three members and Amarillo College, Amarillo Independent School District, Amarillo Hospital District and the Panhandle Groundwater District each appoint one board member. While TIRZ #1 revenues can be pledged to support debt, only the City can issue the debt and pledge the TIRZ #1 revenue. Moreover, the City Council created the TIRZ #1 and has final approval authority on the budget and all TIRZ #1 projects.

#### Operating and Capital Budgets:

Budgetary controls serve two main purposes. First, the annual appropriated budget approved by the City Council satisfies our legal obligation to review and adopt an annual budget. Second, budgetary controls provide management with an effective means of managing the financial activities of a particular function or department. Activities of the general fund, debt service funds, and major grants in existence at the beginning of the fiscal year, internal service funds, enterprise funds, and other special revenue funds are included in the annual budget. The General Fund, Debt Service Fund, Compensated Absences, Public Health Fund, Law Enforcement Offices Standards and Education Training (LEOSE), Local Seized Property Fund, Court Technology Fund, Court Security Fund, and the Public Improvement Districts' budgets are legally adopted and represent appropriation of funds. The internal service fund budgets and enterprise fund budgets are for management purposes only and do not represent appropriations. Grants included in the budget are estimates included for presentation purposes only to give the budget reader a better understanding of the financial scope of the entire organization. Budgets are adopted for grant funds at the time formal acceptance of the grants is made by the City Council, such budgets generally being adopted for the time period covered by each grant.

The City prioritizes the funding of capital projects on the basis of five-year, capital improvement plans. A capital improvement is any expenditure for the purchase, construction, replacement, expansion, or major renovation of the physical assets of the City when the project is relatively expensive (more than \$25,000), long-term, and permanent. Some common examples are streets, libraries, traffic signal systems, fire stations, specialized equipment, and water and sewer lines. Capital needs of less than \$25,000 (minor replacement items) are provided for in the department's annual budget. The first year of the five-year plan is the City's annual capital budget, which is approved by the City Council, along with the annual operating budget. Capital improvement expenditures are controlled by means of individual project appropriations, and all funds needed to complete a project are reserved no later than the inception of the project.

As an enhancement of budgetary controls over expenditures, the City also maintains an encumbrance accounting system, which assures that adequate funds are set aside as commitments are made in the form of purchase orders. Open encumbrances for both purchase orders and construction contracts are reported as unrestricted at year-end.

#### Budget and Financial Reporting:

The City of Amarillo was awarded the Certificate of Achievement for Excellence in Financial Reporting for our 2011/12 Comprehensive Annual Financial Report (CAFR). In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. Moreover, the CAFR must satisfy generally accepted accounting principles, applicable legal requirements, and the Government Finance Officers Association's (GFOA) program standards.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to program requirements, and we are submitting it to the review process of GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. Our latest budget has been submitted for review, and we expect that our budget will earn the GFOA's Distinguished Budget Presentation Award.

Our most significant financial achievement this year is affirmation by Standard & Poor's of the City's Water & Sewer Revenue Bond debt AAA rating. The City also enjoys a AAA General Obligation debt rating from Standard & Pooers. The City enjoys a Moody's rating of Aa1 on both the City's General Obligation debt and Water & Sewer Revenue bonds. The AAA rating is the Standard & Poor's highest rating debt rating. The Aa1 Moodys' rating is one-third step below Standard and Poor's.

#### Cash Management and Investments:

State statutes govern the City's investment policies as well as the City's own written investment policy and strategy. In accordance with State law and the City Investment Policy, the City's investment objectives are to preserve capital, to provide liquidity, and to optimize earnings within the constraints of capital preservation and liquidity. City funds are deposited in an FDIC-insured bank located within the City. Permissible investments include the following:

1. Interest-bearing accounts and bank money market accounts at the City's authorized depository. Certificates of deposits including CDARS (Certificate of Deposit Accounts Registry Service).
2. Obligations of the United States or its agencies and instrumentalities. The investment in agencies and instrumentalities is limited to 75% of the portfolio.
3. No-load money market mutual funds that are continuously rated AAA or AAAM by at least one nationally recognized rating agency, has a dollar-weighted, average-stated maturity of 90 days or less, and seeks to maintain a stable net asset value of \$1 per share.
4. Taxable municipal securities rated not less than AA- or its equivalent by a nationally recognized rating agency. The total investment in taxable municipal securities would be limited to 10% of the portfolio. To the extent that the investment in taxable municipal securities is not fully utilized in the portfolio, the unused portion can be invested in agencies' securities in addition to the 75% limit.

The City will not employ any investment strategy that is inherently risky and will not invest in any securities that are inherently risky. Prohibited securities include mortgage-backed securities that pay only interest, mortgage-backed securities that pay only principal, obligations where the interest rate is determined by an index that adjusts opposite to changes in a market index, or obligations related to foreign currency or foreign market interest rates or indices and obligations with maturities greater than five years.

The City's demand deposits, time deposits, and certificates of deposits balances that exceed FDIC insurance are collateralized by securities held by the Federal Reserve. The City uses third-party safekeeping for its investment securities.

The City began using a securities lending program in 2005 as a means to increase investment income. Securities are lent to select brokerage firms for which collateral is received that exceeds the fair value of such investments during the period of the loan. Collateral may be cash or high-quality securities. Securities loans are initially collateralized at 102 percent of the fair value of the securities lent; the collateral cannot fall below 100 percent during the duration of the loan. Cash collateral received from the borrower is invested by the lending agent, as an agent for the City, in short-term investments including money market mutual funds. These short-term investments are included as investments in the statement of net position for governmental type funds and on the balance sheet of proprietary funds. The City records a corresponding liability for the return of the cash collateral held for securities lending in the statement of net position for governmental type funds and on the balance sheet of proprietary funds. Since the asset and corresponding liability are equal, the impact on net position would be zero. At September 30, 2013, there was no cash collateral held for the securities lending program and, therefore, there was no adjustment to investments and the corresponding liability.

#### Long-term Financial Planning:

As mentioned above, in conjunction with our annual operating budget, we develop a five-year capital improvements estimate. When feasible, the City uses pay-as-you-go financing for capital. When debt is needed to finance capital assets, the City strives to schedule bond issues so that level payments are made over no more than the useful life of the assets. Historically, the excess of revenues over expenditures are earmarked for future capital needs, and the available resources of the general fund are transferred to capital project funds during the budgetary process.

#### Recent Debt Issuances:

While the City historically uses available funds from the excess of revenues over expenditures to provide for its major capital improvement needs, our capital needs exceeded our ability to generate internal funds for capital. Starting in 2007, we had several debt issuances.

Our new air terminal was funded with approximately \$23 million from grants, approximately \$8 million from Airport reserves and \$16.1 million in Certificates of Obligation. While these certificates have an ad valorem tax pledge, it is the City's intention to repay the certificates from an Airport Passenger Facility Charge (PFC). The Federal Aviation Administration (FAA) approved the new \$4.50 PFC in 2008. The PFC, along with some future entitlement funds, should be sufficient to service the Airport Certificates of Obligation, and the City should not have to levy a tax to support this debt in the future.

Our Potter County Well Field came into service in the prior year. The well field is capable of producing 20 to 22 million gallons of water per day. Eventually, the well field can be expanded to produce about 40 million gallons per day. The Potter County Well Field project is the largest single capital project in our history. The Potter County Well Field will be a new water supply for the City of Amarillo. The new well field would be able to supply the City's current water needs without using our surface allocation from Lake Meredith and provide for future growth. The Water & Sewer System



committed \$5.7 million to the well field. In 2009, we were successful in obtaining funds from the Texas Water Development Board (TWDB) in two issuances to complete the project through the Water Infrastructure Fund (WIF) program. In both issuances, the TWDB purchased the City's Certificates of Obligation and is the only bondholder. The first issuance was for \$38,885,000 and the City received an overall interest rate of 2.10% on 20-year debt. The City increased its Water & Sewer Rates by 10% to service the debt. In the second issuance, the City received 1.97% on \$47.4 million on 20-year debt.

We added a high service pump station to our water treatment plant. The project was shovel ready and qualified as a "green" project due to the projected energy savings. Using current pricing, the new pump station should save approximately \$200,000 in electricity. The City was also able to take advantage of the American Recovery and Reinvestment Act (ARRA) along with funding from Texas Water Development Board. The City issued \$18,075,000 in Certificates of Obligation at zero percent interest. The project was substantially complete at the end of calendar year 2011. The City had to increase water & sewer rates by 10% in 2010/11 for the increased debt service on the Potter County Well Field project and the high service pump station.

#### 2010 Certificates of Obligation:

The City also received funding from the Texas Department of Transportation (TxDOT) for a much-needed bridge over the BNSF railroad tracks at the intersection of S.E. Third Avenue and Grand Street. Grand Street is one of the main north-south arterial streets for the east side of Amarillo. When the Grand Street crossing is blocked due to rail traffic, the other main north-south arterial, Eastern Street, is often also blocked. The bridge eliminates this problem on Grand Street and even help relieve congestion on Eastern Street, as well. The City issued \$1,392,000 of Recovery Zone Build America Bonds, Series 2010 for its portion of the project cost. These bonds were issued with a true interest cost of 3.194%. The City's portion of the project is \$967,472; the balance of the bond proceeds will be used for street improvement projects within the Recovery Zone.

With the Recovery Zone Build America Bonds, the City receives an interest credit of 45% of the interest paid for each interest payment made. This credit was used in calculating the above 3.194% true interest cost. These credits are not exempt from the "fiscal cliff" legislation and could be reduced. However, the issue size is so small that it would not significantly impact the tax rate for debt service.

#### 2011 Certificates of Obligation:

During January 2011, the City issued the 2011A Certificates of Obligation in the amount of \$3,750,000 and the 2011B Certificates of Obligation in the amount of \$2,210,000. The proceeds from the 2011A issue are for improvements to the Ross Rogers Golf Course. These certificates have a continuing tax pledge, but the City anticipates that the issue will be repaid from golf course improvement and renovation fees. The proceeds from the 2011B issue are for improvements in the TIRZ #1. These issues have a continuing tax pledge, but the City anticipates that the issue will be repaid from revenue generated from the TIRZ #1.

#### 2011 Water & Sewer Revenue Bonds:

In August 2011, the City issued \$16.3 million in Water & Sewer Revenue Bonds. The bonds were issued to purchase additional water rights adjacent to the City's existing water rights in Roberts County. The City purchased 32,350 acres of water rights in Ochiltree County, which is north of the City's existing water rights in Roberts County. When the City develops these rights, the City will have a very large contiguous area to develop.

## 2012 Debt Issuances:

On December 12, 2012 the City closed on two debt issues. The first debt issue is \$6,260,000 in Combination Tax and Drainage Utility Revenue Certificates of Obligations (COs). The 2012A issue is mainly for drainage improvements on Farmers Avenue. The City is leveraging state funds and the State will participate with approximately \$1.7 million for paving improvements on the Farmers project. There should still be some remaining funds for other drainage improvements. In addition to the tax pledge, the Drainage COs have an unlimited net pledge of the Drainage Utility System of 1.25 times net revenue. The City intends to fund the debt entirely from the Drainage Utility Fund and not levy a property tax for the COs. Thus, the debt is structured similar to the City's Water & Sewer revenue debt. The City needed the tax pledge because there had not been one full month of drainage utility revenue when the debt was issued. However, the City needed to fund the Farmer's project or risk losing State funding.

The second issue in 2012 was used to purchase rolling stock for our municipal garage. Rolling stock replacement was delayed during the recent economic downturn. The 2012B issue has a five-year maturity and the proceeds were used to purchase rolling stock with at least a five-year life. The 2012B issue is for \$2,790,000 in Combination Tax and Sanitation Revenue Certificates of Obligations. The COs have a \$1,000 limit pledge of Sanitation Revenues and a property tax pledge. The City intends to pay for the COs from municipal garage rental revenues and not levy a tax for the debt.

Using the CO structure, the City received very attractive rates on the debt. The 2012A issuance has a 20-year maturity and has a true interest cost of 1.763%. The 2012B has a five-year maturity and has a true interest cost of 0.686%.

## 2013 Water and Sewer Revenue Bonds:

On July 10, 2013 the City issued the Waterworks and Sewer System New Series 2013 Revenue Bonds in the amount of \$1,310,000. The series has a ten-year maturity and a true interest cost of 0.39%. The proceeds will be used to fund the design of the Osage to Arden Road pipeline.

## 2014 Water and Sewer Revenue Bonds:

On December 17, 2013 the City Council approved the issuance of the Waterworks and Sewer System Revenue bonds New Series 2014 CWSRF in the amount \$8.495 million. These bonds were issued through the Clean Water State Revolving Fund program of the Texas Water Development Board. This series has a 20-year maturity with a true interest cost of 1.94%. These funds will be used for the design and construction of Georgia Street Interceptor project. This project will eliminate a lift station and ensure proper operation of the collection system in the area. This bond issue will also fund the planning and design for the replacement of lift station 32.

On December 17, 2013 the City Council approved reimbursement resolutions for two new debt issues. The first debt issue is \$6,000,000 Drainage Utility Revenue Bonds. This issue is mainly for drainage improvements at Martin Road and Hillside Terrace. The second issue is to purchase rolling stock for the City's Municipal Garage. As mentioned previously, during the economic downturn the City delayed the replacement of rolling stock. This issue will allow the City to replace existing equipment. The City intends to issue master tax notes with a five-year maturity. The funding for this issue will be from the Municipal Garage Fund.

## Our Local Economy:

Historically, major industries of the area include grains, cattle, beef processing, natural gas, oil, helium and other petroleum by-products, refining operations, and nuclear weapons processing. These industries are still very important to Amarillo; however, Amarillo has a more diverse economy. Food processing, defense industry, manufacturing, distribution, traffic and transportation, general retail,

banking, criminal justice, medical facilities, administrative and back-office operations, and higher education are all important industries in Amarillo.

Amarillo is also a regional trade center for a very large five-state region. Thus, retail sales, banking and medical services are significant activities in Amarillo. Moreover, because of Amarillo's central location in the United States and being traversed by I-40, I-27 and State Highway 287, traffic & transportation and travel & tourism are important industries to Amarillo.

Natural gas and petroleum are major industries in the City of Amarillo and the Panhandle of Texas. There was a significant increase in the price of oil compared to last year. According to the Amarillo Economic Analysis, prepared by Amarillo National Bank, September 2013 oil was at \$103.68<sup>(1)</sup> per barrel compared to September 2012 at \$87.25<sup>(1)</sup> per barrel last year. Natural gas prices increased compared to last year. Natural Gas was at \$2.82<sup>(1)</sup> per mmbtu last year compared to \$3.57<sup>(1)</sup> per mmbtu at September 2013. Since we are both a producer and a consumer of natural gas, part of our economy benefits from higher gas prices while it is detrimental to another part of our economy. Increases in natural gas prices mean higher royalty payments to landowners, but it also means higher energy costs for our area farmers that use natural gas for irrigation and other industries.

While there is some benefit to lower oil and gas prices to the economy in general, changes in oil and gas prices have a direct impact on drilling activity in the Texas Panhandle. At September 2008, there were 95<sup>(1)</sup> active drilling rigs in the Texas Panhandle compared to 29<sup>(1)</sup> at September 2009 and 74<sup>(1)</sup> at September 2010. In September 2011, there were 78<sup>(1)</sup> active drilling rigs compared to 75<sup>(1)</sup> in 2012 and 80<sup>(1)</sup> in 2013<sup>(1)</sup>.

According to the Texas Cattle Feeders Association, our cattle feeding area produces about 7,000,000 fed cattle annually, which is about 30% of the nation's beef. Cattle prices improved in 2012 and remained stable for 2013. Fed cattle prices were \$123<sup>(1)</sup> per hundredweight at both September 2012 and 2013, compared to \$112.50<sup>(1)</sup> per hundredweight in 2011.

Dairies have become major industries in the Texas Panhandle. September 2013 milk prices remained stable at \$18<sup>(1)</sup> per hundredweight, the same as a year ago. The majority of principal area crops cannot be grown without irrigation and natural gas is the main fuel used for irrigation. The major crops grown in the Texas Panhandle are wheat and corn. The corn crop is strong but prices are down at \$5.20<sup>(1)</sup> per bushel compared to \$7.90<sup>(1)</sup> last year.

Wheat was at \$7.67<sup>(1)</sup> per bushel at September 2011 compared to \$8.48<sup>(1)</sup> per bushel at September 2012 and \$6.85<sup>(1)</sup> per bushel at September 2013. At September 2010, wheat had significantly increased to \$6.37<sup>(1)</sup> per bushel from \$3.94<sup>(1)</sup> at September 2009. Wheat was at \$6.43<sup>(1)</sup> per bushel at September 2008 and \$4.87<sup>(1)</sup> per bushel at September 2006.

Cotton was at 83.36<sup>(1)</sup> cents per pound at September 2013 compared to 70.40<sup>(1)</sup> cents per pound at September 2012, an increase of 18%. At September 2011, cotton was 94<sup>(1)</sup> cents per pound in comparison to 87.14<sup>(1)</sup> cents per pound at September 2010 and 53.50<sup>(1)</sup> cents per pound in 2009. At September 2006, cotton was at 47.20<sup>(1)</sup> cents per pound compared to 42.10<sup>(1)</sup> cents per pound at September 2005. Historically, cotton has been grown south of Amarillo. However, new hybrids can be grown in our area.

Our Economic Development Corporation:

In 1989, Amarillo citizens approved a ½ percent sales tax dedicated to the promotion of economic development initiatives through the procurement of industrial, manufacturing, distribution, and regional wholesaling projects which have resulted in new jobs and capital investment in Amarillo. The Amarillo Economic Development Corporation (AEDC) was created by the citizenry to manage these funds thereby marshalling in programs to diversify and grow our local economy. The AEDC became fully operational

when the first tax proceeds were received in June 1990. The half-cent sales tax is expected to generate approximately \$19 million in revenues during FY14.

The AEDC's mission is: "To promote business expansion in the greater Amarillo area that builds a stronger, more diversified economy and increases the economic vitality and wealth of the community." The organization accomplishes its mission by: 1) attracting new business and industry to the Amarillo area that will create skilled, high-wage primary jobs, 2) assisting existing Amarillo primary business and industry with growth and expansion plans through a pro-active business retention and expansion program, and 3) creating a business environment conducive to entrepreneurialism by providing financial support and technical assistance to primary businesses in collaboration with partner agencies. The AEDC targets companies whose primary function is to produce a good or service that is then sold outside of the immediate trade area thereby introducing new monies into the local economy. This strategy is met by implementing aggressive business recruitment programs, local business retention and expansion programs and promoting the AEDC brand worldwide.

In the past 24 years, the AEDC has engaged in over 100 projects with over 100 companies, building a *Portfolio of Success*, including new industrial locations, retention and expansion and entrepreneurialism projects. The portfolio includes: 46 retention and expansion projects, 14 relocation projects and 40 entrepreneurialism projects. The Perryman Group, an independent economic consulting firm, recently evaluated the combined investment each company has contributed to the community. The study stated, "The AEDC has successfully attracted new businesses to the local area and encouraged existing firms to stay and expand. In fact, about one in three jobs in the local area is linked to a company the AEDC has assisted in some way. The long-term economic vitality of Amarillo and the surrounding area have clearly been enhanced by the AEDC."

#### AEDC's Five Target Industries:

1. Aviation/Aerospace – Aircraft Manufacturing including Aircraft Engine and Engine Parts Manufacturing, Airframe and Powerplant Overhaul/Repair. The AEDC will continue efforts to market to the suppliers of current Amarillo aviation companies encouraging support industry to flourish. Portfolio of Success: Bell Helicopter, TACAir, Tradewind Turbines, Leading Edge Aviation Services, Headsets Inc.
2. Business & Financial Services – Companies continue to search for strong work ethic and favorable natural conditions that will allow for a secure location for their sensitive business operations. Amarillo provides both for interested prospects. Portfolio of Success: AIG-Western National Life, Nationwide Insurance, SITEL, Dental Network of America, CS Stars.
3. Diversified Manufacturing – Primary Metal Industries, Fabricated Metal Products, Industrial Machinery, Electronics and Instruments, Assembly. Companies under this category manufacture mid-value, mid- to high-bulk products, which are under extreme pressure to reduce costs. Portfolio of Success: Sage Oil Vac, GTM Manufacturing, Tech Spray, SciCron Technologies, and Alstom Power, Inc.
4. Transportation & Logistics – Amarillo's transportation assets are well suited for this industry. Companies are currently looking for ways to reduce cost by locating within the central part of the United States. Portfolio of Success: Ben E. Keith, Affiliated Foods, Hastings, Anderson Merchandisers, and AmeriCold Logistics.
5. Food Technologies – Amarillo's location, industry clusters and resources are well suited for this industry. Portfolio of Success: Tyson, Plains Dairy, Hilmar Cheese Company, and Pacific Cheese <sup>(7)</sup>.

## Major Industries and Employers:

The Amarillo Chamber of Commerce lists 27 employers with 400 or more employees in Amarillo. This is a very diverse group of employers consisting of governmental entities, manufacturing, defense, industry, food processing, healthcare, general retail, traffic & transportation, energy companies, public utilities, higher education, financial services, retirement services, the travel industry and computer services<sup>(3)</sup>.

Two of our largest employers are in the defense industry: Bell Helicopter and B&W Pantex. The Pantex Plant, located 17 miles northeast of Amarillo, in Carson County, is charged with maintaining the safety, security and reliability of the nation's nuclear weapons stockpile. The Pantex Plant is managed and operated by B&W Pantex for the U.S. Department of Energy/National Nuclear Security Administration. Pantex's work falls within three main missions: Stockpile Stewardship, Nonproliferation, and Safeguards and Security. As stewards over the nation's nuclear stockpile weapons, Pantex evaluates, retrofits, and repairs weapons in support of both life-extension programs and certification of weapons safety and reliability. Pantex also develops, tests, and fabricates high-explosive components for weapons. Pantex dismantles surplus weapons, sanitizes components from dismantled weapons and provides interim storage and surveillance of plutonium pits in conjunction with their Nonproliferation mission. Pantex's safeguard and security mission entails protecting the Plant personnel, facilities, materials, and information. All work at Pantex is carried out under these overarching priorities: the security of weapons and information, the safety and health of workers and the public, and the protection of the environment<sup>(2)</sup>. Approximately 3,200 people are employed at Pantex<sup>(3)</sup>.

In 1998, Bell Helicopter announced its decision to locate the Bell Helicopter Tiltrotor Assembly Center in Amarillo, Texas. The initial capital investment by the AEDC was \$30,000,000 along with the construction of a world-class facility. Over the past 15 years, the invested amount in the Bell Helicopter Amarillo Assembly Center by the AEDC on behalf of the Amarillo community has surpassed \$120,000,000, resulting in a campus of more than 1.5 million square feet under roof. The company has diversified its product offerings out of the Amarillo Assembly Center due to the significant level of support the community has provided. Bell Helicopter's Military Aircraft Assembly Center in Amarillo now builds the revolutionary V-22 Osprey, the OH-58 Kiowa Warrior, the UH-1 Huey, and the formidable AH-1 Cobra<sup>(8)</sup>. The AEDC has issued a series of bonds to finance the project. Under the terms of the lease, Bell's lease payment is abated so long as they meet local compensation and spending requirements. Amarillo is very proud of Bell Helicopter and the continued success their company has created for the region<sup>(7)</sup>.

According to a September 27, 2012 Amarillo Globe News article, Bell will also build the new Relentless 525 civilian helicopter in Amarillo. According to Bell officials, the Relentless 525 helicopter in Amarillo will help stabilize the plant's work force even if military aircraft production slows. Potential uses for the aircraft include offshore oil and gas exploration, firefighting, emergency medical flights, paramilitary operations and hauling corporate VIPs. In 2013, City officials approved a \$4.2 million AEDC investment in the new plant. Textron, Bell's parent company, will pump the remaining \$22.8 million into the new 249,000 square foot production plant at the Assembly Center adjacent to Rick Husband Amarillo International Airport. The design and construction of this state-of-the-art facility was completed in late 2013<sup>(7)</sup>. Approximately 1,100 people are employed at the Bell Helicopter Amarillo Assembly Center<sup>(3)</sup>.

ASARCO was organized in 1899 as American Smelting and Refining Company. Originally, a consolidation of a number of lead-silver smelting companies, the Company has evolved over the years into an integrated producer of copper and other metals. Asarco's Amarillo Copper Refinery is among the world's most modern. The refinery is recognized internationally as an important producer and supplier of copper. The Company's Amarillo Copper Refinery in Amarillo together with the SX/EW plants at the

Ray and Silver Bell mines produce approximately 375,000,000 pounds of refined copper per year. ASARCO employs 370<sup>(3)</sup> workers in Amarillo.

Other manufacturing operations in Amarillo include Owens Corning Fiberglass, which employs about 475<sup>(3)</sup> people. Owens Corning produces fiberglass for building products. Amarillo Gear has been in continual operation in Amarillo since 1917 and manufactures the largest range of spiral bevel right-angle gear drives in the world since 1934. Amarillo Gear is a Marmon Walter/Berkshire Hathaway Company<sup>(10)</sup> and employs 160<sup>(3)</sup>.

International Paper Company produces containerboard packaging in Amarillo and employs 130<sup>(3)</sup> people. Tech Spray specializes in cleaners, coatings, and other chemicals and tools that improve efficiency, safety, and performance<sup>(18)</sup>. Tech Spray employs about 110<sup>(3)</sup>. Crouse-Hinds is a division of Cooper Industries. Cooper Crouse-Hinds has grown into a diversified worldwide provider of electrical products that perform reliably and safely in harsh and hazardous environments. Cooper Crouse-Hinds employs 100 in Amarillo<sup>(7)</sup>.

Food distribution is also an important industry to Amarillo. Affiliated Foods employs 1,110<sup>(3)</sup> workers in its facility. Ben E. Keith, a distributor of food service products, employs 250<sup>(3)</sup> persons. Our largest single employer is also in the food industry. Tyson Foods has 3,700<sup>(3)</sup> employees operating its plant in northeast Amarillo.

Both ranching and cattle feeding are important to our area. There are several advantages to cattle feeding operations in our area. The area's central location reduces transportation costs. There are locally grown feed grains and volume shipments from the Midwest which ensure a plentiful supply of feed. Relatively mild winters and good summer weather have helped the three-state area earn its reputation as "Cattle Feeding Country." Local lenders in the area understand the industry and are willing partners. According to the Texas Cattle Feeders Association, 30% of the nation's beef is produced in the Texas Panhandle. Both Cactus Feeders and Friona Industries are headquartered in Amarillo. Cactus Feeders has ten large-scale cattle feed yards across the Texas High Plains and Southwest Kansas. Since its founding in 1975, Cactus Feeders has grown into a \$750 million company that employs approximately 500 people<sup>(4)</sup>. Cactus Feeders is the world's largest privately owned cattle feeding operation<sup>(4)</sup>. Founded in 1962, Friona Industries owns four feed yards in northwestern Texas with a feeding capacity of more than 290,000 head of cattle<sup>(5)</sup>.

Amarillo is a regional medical center for a five-state geographic region and the healthcare industry is one of the largest employers in Amarillo<sup>(9)</sup>. The Harrington Regional Medical Center in Amarillo was the first specifically designated city hospital district in Texas. From the beginning, the Medical Center was planned to include health care, the training of doctors and nurses, and medical research programs. The Harrington Regional Medical Center had a 410-acre campus and was supported by the Don and Sybil Harrington Regional Medical Center at Amarillo, had 22 resident facilities, five acute care units (High Plains Baptist Hospital, Northwest Texas Hospital, Psychiatric Pavilion, Department of Veterans Affairs Medical Center, and Texas Panhandle Mental Health Authority-Crisis Stabilization Unit), three long-term care units (Texas Panhandle Mental Health Mental Retardation, Bivins Memorial Nursing Home, and Texas Panhandle Mental Health Authority-Outpatient Facility), four education and research units (Don Harrington Discovery Center, Texas A&M Agricultural Research and Extension Center, Texas A&M Veterinary Diagnostic Laboratory, and Amarillo Garden Center), six medical and health-related units (Coffee Memorial Blood Center, Amarillo Speech, Hearing and Language Center, Children's Rehabilitation Center, and Potter/Randall County Medical Society, Ronald McDonald House, and Medical Center Park), three combination patient care, medical research, and medical education units (Texas Tech University Regional Academic Health Sciences Center, Texas Tech Clinic, and Don and Sybil Harrington Cancer Center), and one medical center support facility (child care facility for children of employees)<sup>(17)</sup>.

The Medical Center complex is home to several of our major employers: Baptist St. Anthony's Health Care System with 2,900<sup>(3)</sup> employees and Northwest Texas Healthcare System with 1,359<sup>(3)</sup> employees. Both Baptist St. Anthony's Health System (BSA) and Northwest Texas Healthcare System (NWTHS) offer integrated acute care hospitals. BSA offers a full range of medical and surgical services at their 445-bed<sup>(14)</sup> acute care patient facility located within the Harrington Regional Medical Center. BSA is also a partner in Physicians Surgical Hospitals, LLP, which offers two additional acute care hospital facilities near the Medical Center<sup>(14)</sup>. For 2013 BSA is the largest taxpayer.

Northwest Texas Healthcare System (NWTHS) is a designated tertiary care and teaching institution, academically affiliated with Texas Tech University, licensed for 385 acute beds, 90 behavioral health beds, and 10 newly designated rehabilitation beds. The emergency department is certified as an Advanced (Level-III) Trauma Center, treating approximately 50,000 patients per year. Comprised of the main hospital, children's hospital, heart hospital, and an affiliated free-standing surgical hospital, NWTHS also serves as a regional treatment center, providing emergency life flight services to patients within the Texas Panhandle. NWTHS is one of our largest taxpayers<sup>(15)</sup>.

Our VA Medical Center employs approximately 1,015<sup>(3)</sup> people. The Amarillo VA Health Care System, a division of the Southwest VA Health Care Network, provides primary specialty and extended care of the highest quality to veterans throughout the Texas and Oklahoma panhandles, eastern New Mexico, and southern Kansas. Approximately 25,000 patients are treated annually. The health care system maintains 55 acute care inpatient beds for general medical, surgical, and intensive care. Geriatric and extended care is provided in the 120-bed skilled nursing home care unit. A modern ambulatory care center and medical arts building facilitates the delivery of primary care, specialty care and preventive health services. The Amarillo VA Health Care System also ensures health care is accessible to those veterans residing in rural areas through three community-based outpatient clinics located in Lubbock, Texas, Clovis, New Mexico, and Liberal, Kansas<sup>(6)</sup>.

Other large medical employers include the Texas Panhandle Centers Behavioral & Developmental with 436<sup>(3)</sup> employees, the Plum Creek Specialty Hospital with 300<sup>(3)</sup> employees, Panhandle Eye Group with 196<sup>(3)</sup> employees, the Amarillo Diagnostic Clinic with 190<sup>(3)</sup> employees, Family Medicine Centers with 175<sup>(3)</sup> employees, Amarillo Heart Group with 155<sup>(3)</sup> employees, the Don & Sybil Harrington Cancer Center with 151<sup>(3)</sup> employees, Regence Health Network with 145<sup>(3)</sup> employees and Physicians Surgical Hospitals with 123<sup>(3)</sup> employees.

Mild weather, excellent medical facilities, and low living costs make Amarillo an excellent location for retirement living. There are several large retirement communities in Amarillo including Baptist Community Services with 400<sup>(3)</sup> employees, Park Central Retirement Community with 300<sup>(3)</sup> employees, Ussery-Roan Texas State Veterans Home with 100<sup>(3)</sup> employees, Bivins Memorial, the Craig Methodist Retirement Community with 140<sup>(3)</sup> employees, and Ware Living Center.

Administrative and back-office operations are also included in Amarillo's major employers. Western National Life Insurance Company provides fixed annuity products through financial institutions in the United States. The company was founded in 1944 and is based in Amarillo, Texas. Western National Life Insurance Company operates as a subsidiary of AIG (American International Group, Inc.)<sup>(11)</sup>. Western National Life employs about 890<sup>(3)</sup> people.

For 30 years, Insurance Management Services (IMS) has been a leader in Health Benefit Administration for employer groups of all sizes. IMS is locally owned and operated exclusively out of Amarillo<sup>(13)</sup> and employs 107<sup>(3)</sup>. IMS started as a small business with manual claims administration and has evolved into a full-service Third Party Administrator with 45,000 covered lives<sup>(13)</sup>.

Major retail stores draw customers from a wide region into our city. Amarillo is currently home to four Wal-Mart supercenters and a Sam's Club. Wal-Mart employs a total of 1,359<sup>(3)</sup> people and Sam's

Club employs 150<sup>(3)</sup>. United Supermarkets is a large employer and employs a total of 533<sup>(3)</sup> in their seven stores in Amarillo. Toot'n Totum has several convenience stores in Amarillo and employs 560<sup>(3)</sup>. Founded in 1968, Hastings Entertainment, Inc. is a leading multimedia entertainment retailer that combines the sale of new and used books, videos, video games and CDs, and trends and consumer electronics merchandise, with the rental of videos and video games in a superstore format. Hastings currently operates 135 superstores, averaging approximately 24,000 square feet, primarily in medium-sized markets throughout the United States. Hastings also operates three concept stores, Sun Adventure Sports, located in Amarillo, Texas, and Lubbock, Texas, and TRADESMART, located in Littleton, Colorado<sup>(12)</sup>. The Hastings retail chain headquarters is located in Amarillo and has 491<sup>(3)</sup> employees.

Customer support and back-office operations are also large employers. SITEL has telemarketing services in Amarillo and employs 337<sup>(3)</sup>. Anderson Merchandisers has 468<sup>(3)</sup> employees. Maxor National Pharmacy Services Corporation is a pharmacy benefit management company headquartered in Amarillo and has 393<sup>(3)</sup> employees. The American Quarter Horse Association is also headquartered in Amarillo and employs 302<sup>(3)</sup>. The Atmos Energy customer support center in Amarillo employs 333<sup>(3)</sup>. AT&T is also one of our larger employers with 320<sup>(3)</sup> employees.

Amarillo also serves as a regional banking center. Bank of America, Citibank, Chase and Wells Fargo have branches in Amarillo, along with regional banks and local banks. The banking industry is very important to Amarillo and banks are some of our larger employers. Amarillo National Bank is on our list of top ten taxpayers and employs approximately 550<sup>(3)</sup>. Bank of America employs 105<sup>(3)</sup>. Herring Bank employs 125<sup>(3)</sup> and Happy State Bank employs 330<sup>(3)</sup>.

The Texas Department of Criminal Justice has two prison units in Amarillo and is a major employer. The two prisons provide 1,360<sup>(3)</sup> jobs.

Higher education is a major employer in the Amarillo area. Our community college, Amarillo College, offers both vocational training and associate degree programs and has 681<sup>(3)</sup> employees. Texas Tech University has a large presence in our community. The Texas Tech Health Science Center in Amarillo has both a medical school and pharmacy school in Amarillo and employs 760<sup>(3)</sup>. Texas Tech University provides training in our community for medical doctors earning specialty accreditation in family medicine. Texas Agrilife Research & Extension Center employs 114<sup>(3)</sup>. West Texas A&M University in nearby Canyon, which is a part of the Texas A&M University System, employs 730 full time employees<sup>(3)</sup>. West Texas A&M also has a campus in Amarillo.

As mentioned earlier, the oil and gas industry is important in the Panhandle and energy companies are also major employers. Centergas Fuels, Inc. employs 250<sup>(3)</sup>, Valero Energy Corp. employs 113<sup>(3)</sup> and Davidson Oil Company employs 108<sup>(3)</sup>.

The traffic and transportation industry has been important to Amarillo from its beginning in 1887. Amarillo was founded near a bend in the Fort Worth and Denver (FW&D) Railroad tracks, which were under construction. The Burlington Northern Santa Fe Railroad is still one of our major employers with 700<sup>(3)</sup> employees. Trucking is also important to Amarillo. Baldwin Distributing Services, Inc. and Plains Transportation, Inc. are also in the trucking industry; Baldwin employs 165<sup>(3)</sup> and Plains employs 101<sup>(3)</sup>. Support for the trucking industry is a larger employer in Amarillo and includes companies like Amarillo Truck Center, which employs 112<sup>(3)</sup>, Roberts Truck Center, and Bruckner's.

Today, Amarillo's airport has the third longest commercial runway in the world. There are numerous direct daily flights from Amarillo to major hub airports having direct flights to foreign countries. You can get to Dallas-Ft. Worth Regional Airport in one hour; Houston Intercontinental in about an hour and a half; Denver International in an hour; Las Vegas in two hours; and LAX in four hours. Amarillo is a hub for major highways that connect to the rest of the region; I-40 to Oklahoma City and Albuquerque, U.S. 287 to Dallas and Fort Worth and U.S. 87 to Denver<sup>(7)</sup>. Because of Amarillo's



location on Interstate 40, Interstate 27, and State Highway 287; along with attractions in and nearby Amarillo, hospitality and tourism are significant industries. Approximately eight million people travel through Amarillo annually, dining in almost 500 local restaurants. The Amarillo hotel industry has 60 hotels with almost 6,000 rooms to rent.

One of our larger employers is a hotel facility. The Ambassador Hotel employs 120<sup>(3)</sup> people. Amarillo has an amusement park and an art museum. The American Quarter Horse Museum is located on Interstate 40. The Panhandle Plains State Historical Museum is in nearby Canyon, Texas. Palo Duro Canyon and the Alibates Flint Quarry are also nearby. Wonderland Amusement Park is located in north Amarillo.

Two of the larger employers are engineering firms. Talon/LPE is a full-service environmental consulting and engineering corporation and employs 125<sup>(3)</sup>, while Zachry Engineering Inc. employs 185<sup>(3)</sup>. The construction industry is also a major employer. J. Lee Milligan, Inc. employs 225<sup>(3)</sup>, L. A. Fuller & Sons Construction Inc. employs 150<sup>(3)</sup> and Denman Building Products, LTD employs 100<sup>(3)</sup> people.

In summary, Amarillo's local economy is broadly diversified. While Amarillo has several large industries and employers, no single industry or employer dominates the Amarillo economy.

#### Current Economic Climate and Trends:

Amarillo has fared much better than most cities during the recent recession. We had neither a reduction in service nor any reduction in available hours to our citizens. In 2011, the City's Water & Sewer revenue debt was upgraded to AAA by Standard & Poors. Amarillo is one of the few cities that has AAA General Obligation debt and AAA Water & Sewer revenue debt by Standard & Poors.

The recovery has been most dramatic on our sales tax. We had another record high in 2012/13 over the previous record in 2011/12 fiscal year. Our 2012/13 sales tax was \$52.1 million compared to \$48.3 million in 2011/12. Generally, sales tax is erratic on a month-to-month basis, with some months exceeding their corresponding previous year month and some months being down compared to their corresponding previous year month. Amarillo also had another record year in hotel occupancy tax revenue. Our 2012/13 hotel tax revenue was over \$5.7 million compared to last year's revenue of \$5.0 million.

Employment remains stable. Amarillo's unemployment rate is 5.2% compared to 4.4% last year and 5.9% the year before<sup>(1)</sup>. However, Amarillo's unemployment was better than the State of Texas at 6.8% and our national unemployment at 7.9%<sup>(16)</sup>.

We had another good year in our water and sewer fund. Rates were increased by 5% to fund the debt service on our portion of the CRMWA water rights and the City of Amarillo water rights purchase. The total increased need is 11% with 6% in 2011/12 and 5% in 2012/13. 2011/12 water and sewer revenue was \$70.81 million in utility sales and service revenue and operating income of \$22.3 million. After nonoperating costs of \$6.0 million, the water and sewer fund netted \$16.3 million compared to \$15.9 million in 2011/12.

Our property tax base continues to grow. Moreover, the base did not decrease during the recession. As of January 2012, we had \$10.5 billion in value compared to approximately \$10.3 billion the previous years. In 2012/13, the City had \$143 million in new property values compared to \$155 million in 2011/12.

Building increased in the 2012/13 fiscal year. The City had \$213.9 million in permits compared to \$192.7 million in 2011/12. Commercial permits increased to \$66.4 million in 2012/13 compared to \$56.7 million in 2011/12, but residential permits decreased. Residential permits were at \$147.5 million in

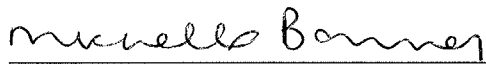
2012/13 compared to \$136 million in 2011/12. The City experienced a significant hail storm event in May 2013, roofing permits increased from \$5.3 million in 2011/12 to \$132.1 million in 2012/13.


For our 2012/13 budget, sales tax is estimated at \$48.7 million, which is about the same as actual 2011/12. However, at the time we were building the budget, it was a slight increase over our revised forecast. Other revenues were left relatively flat for the 2012/13 budget. The property tax rate remained the same for 2012/13 as compared to 2011/12 at \$0.32009 per \$100 of taxable values.

Amarillo continues to enjoy strong sales tax receipts and increasing property values. Amarillo has a very good quality of life and a lot of opportunity. Amarillo has a strong diversified economy with plenty of jobs. We have major employers and industries for professionals, skilled craftsman, and laborers. Amarillo has the best-funded Economic Development Corporation in the State and Chamber of Commerce to help attract and retain industry and support tourism. Amarillo has great public education and higher education. Amarillo has excellent medical facilities and very nice retirement facilities. We are well represented by national, regional, and local banks. Retail availability is diverse and strong in Amarillo; anything you need and most everything you want can be found in Amarillo. We have amusement parks, regional parks, and neighborhood parks. We have sports teams, museums, area lakes, and other attractions. In short, Amarillo is a great place to live and work.

We wish to thank the Mayor and members of the City Council for their responsible manner of conducting the financial operations of the City.

Yours very truly,

  
\_\_\_\_\_  
Michelle Bonner  
Assistant City Manager for Financial Services  
City of Amarillo, Texas

  
\_\_\_\_\_  
W. Jarrett Atkinson  
City Manager  
City of Amarillo, Texas

Sources:

- (1) Amarillo Economic Analysis, courtesy of Amarillo National Bank
- (2) B&W Pantex
- (3) Amarillo Chamber of Commerce includes only full-time employees
- (4) Cactus Feeders
- (5) Friona Industries
- (6) Amarillo VA Health Care System
- (7) Amarillo Economic Development Corporation
- (8) Bell Helicopter
- (9) Harrington Regional Medical Center
- (10) Amarillo Gear
- (11) Western National Life
- (12) Hastings
- (13) Insurance Management Services
- (14) Baptist St. Anthony's Hospital
- (15) Northwest Texas Hospital
- (16) U.S. Bureau of Labor Statistics
- (17) U.S. News Health Hospitals
- (18) Tech Spray

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## Independent Auditor's Report

The Honorable Mayor and Members of the City Council  
City of Amarillo, Texas

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Amarillo, State of Texas (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City and of its governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund

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information of the City as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Notes 1 and 2 to the basic financial statements, in 2013 the City changed its method of accounting for concession arrangements and for component units with the adoption of Governmental Accounting Standards Board Statements No. 60 and 61. Our opinions are not modified with respect to these matters.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of funding progress on pages 5 through 21, page 106, and 107 through 109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements, schedules and other information, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, schedules and other information, and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other

matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Connor, McMillon, Mitchell & Shennum PLLC*

Amarillo, Texas  
January 21, 2014

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Amarillo's (City) Comprehensive Annual Financial Report (CAFR) presents an overview, through Management's Discussion and Analysis (MD&A), of the City's financial activities and performance during the fiscal year ended September 30, 2013. As the management of the City of Amarillo, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013.

### Financial Highlights:

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$789.68 million (net position). Of this amount, \$700.85 million is invested in capital assets and infra-structure net of related debt. \$14.92 million of this amount is restricted for debt service and other purposes. The remaining \$73.91 million is unrestricted net position.
- The City's total net position increased by \$7.81 million. Of this amount, \$8.40 million decrease is attributable to governmental activities, and an increase of \$16.21 million is attributable to net operating revenues of the business-type activities, which revenues are attributable to rates/fees established to fund both current operating needs and future development.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$102.35 million. The General Fund's fund balance increased by \$5.45 million. The decrease in fund balance for capital projects funds was \$4.78. This decrease was a result of construction starts associated with issuing \$25 million in Certificates of Obligation issued in fiscal year 2007. Decreases in other governmental funds, which include many grants and special revenue funds, were \$1.11 million.
- At the end of the current fiscal year, the fund balance for the General Fund was \$51.71 million, or 34.45% of total general fund expenditures. Expenditures and transfers out of the General Fund were \$150.10 million, which amounts included transfers of general revenues to capital outlay, compensated absences, internal service funds, grant funds, and other funds which carry out general governmental operations. The General Fund remains in good financial condition with unassigned fund balance of \$50.06 million.
- General Fund revenues had a marked increase over the previous fiscal year. The City recorded a record level of sales tax collections for fiscal year 2013. Total sales tax collections exceeded \$52 million. The City continues to see strong sales tax collections into the first quarter of the 2013/14 fiscal year. This trend is being seen in most Texas cities despite the continued slow national economic recovery and high unemployment rates in most parts of the country. Management keeps a close watch on sales tax collections to assist in making changes during the year, if needed. The City also had a record year for hotel occupancy tax revenue in 2012/13, recording slightly over \$5.6 million.
- On July 10, 2013 the City issued the Waterworks and Sewer System New Series Revenue Bonds in the amount of \$1,310,000. The Series bonds mature annually through 2023 in principal amounts ranging from \$125,000 to \$135,000 and provide for interest rates ranging from 0.01% to 0.85%. The proceeds will be used to fund the design of the Osage to Arden Road pipeline.



- During 2012 the City Council approved the creation of a Drainage Utility Fund to be used for drainage improvements. The drainage fund will be one of three enterprise type funds and revenues and expenditures will be kept separate from all other City operations. The residential rate structure included small, typical and large classifications. The typical classification represents fifty percent of parcels in the City with a monthly fee of \$2.51. All nonresidential properties are billed at \$2.51 for every 2,800 square feet of impervious cover on the property. Assessments began October 1, 2012, and for the first year, this new fee generated approximately \$4.99 million in additional revenue. For fiscal year ending September 30, 2013, the drainage utility fund had a net position of \$2.89 million.
- On December 12, 2012 the City closed on two debt issues. The first debt issued was \$6,260,000 in Combination Tax and Drainage Utility Revenue Certificates of Obligations (COs). The 2012A issue is mainly for drainage improvements on Farmers Avenue. In addition to the tax pledge, the Drainage COs have an unlimited net pledge of the Drainage Utility System of 1.25 times net revenue. The 2012A issuance has a 20-year maturity and has a true interest cost of 1.763%. The City intends to fund the debt entirely from the Drainage Utility and not levy a property tax for the COs. Thus, the debt is structured similar to our Water & Sewer revenue debt.
- On December 12, 2012 the City also issued the 2012B bond issue for \$2,790,000 in Combination Tax and Sanitation Revenue Certificates of Obligations to purchase rolling stock for the City's municipal garage. Rolling stock replacement was delayed during the recent economic downturn. The 2012B issue has a five-year maturity and the proceeds will be used to purchase rolling stock with at least a five-year life. The COs have a \$1,000 limit pledge of Sanitation Revenues and a property tax pledge. The City intends to pay the COs from Municipal Garage Rental Revenues and not levy a tax for the debt. The 2012B has a five-year maturity and has a true interest cost of 0.686%.
- The City completed construction of Fire Station Number 13, located at 6383 SW 45th Ave. This is an additional station that was constructed using funds from the \$25 million in COs that were issued in 2007. This is the last of the major projects that was to be funded from this bond issue. The total cost of the station was \$2,420,580, not including the land or fire apparatus that will be housed at this location. The station will house an engine and a ladder truck, and each will be manned by a four-person crew. A district fire chief will also be stationed at this new location.

**Overview of the Financial Statements:**

Effective October 1, 2001, the City adopted the provisions of Statement No. 34 issued by the Governmental Accounting Standards Board (GASB). The financial presentation promulgated by that statement is very different from the governmental financial presentation that was generally accepted before the issuance of Statement No. 34. This discussion is intended to serve as an introduction to the City's basic financial statements presented in conformity with this accounting standard.

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the finances of the City in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish *governmental activities* – functions of the City that are principally supported by taxes and intergovernmental revenues – from *business-type activities* – functions of the City that are intended to recover all or a significant portion of their costs through user fees and charges. The *governmental activities* of the City include public safety, streets and traffic, culture and recreation, solid waste, transit, urban redevelopment and tourism, as well as general government and staff services. The *business-type activities* of the City include a water and sewer system, drainage utility, and an international airport.

In addition to the financial statements of the City, the government-wide financial statements include information concerning six legally separate entities that are part of the City's financial reporting entity because of the City's oversight responsibility for their affairs. These entities include Amarillo Hospital District, Amarillo Economic Development Corporation, Amarillo-Potter Events Venue District, Amarillo Housing Financial Corporation, Amarillo Health Facilities Corporation, and Amarillo Local Government Corporation. This information is presented separately from that of the primary government (the City of Amarillo) because such component units are not legally or functionally an integral part of the City.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: government funds, proprietary funds, and fiduciary funds.

**Government funds:** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Accordingly, these statements do not reflect capital assets or long-term debt, and they report capital outlay as opposed to depreciation and report proceeds and principal reductions of long-term debt as sources and expenditures which increase or decrease fund balance. Such statements are useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In addition to a general fund, the City maintains special revenue funds, 2 debt service funds, 10 capital projects funds, and 1 permanent fund. These funds have been categorized as either *major or non-major* based on the significance of their financial position or operations. For the current fiscal year, management has determined that the General Fund and the Capital project funds meet the criteria for major fund classification.

The City adopts annual appropriated budgets for most funds, other than funds controlled by the five-year capital improvement program or funds controlled by project-length grant budgets.

**Proprietary funds:** The City maintains three different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer system, the drainage utility system, and for its international airport. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a governmental entity's various functions. The City uses internal service funds to account for its fleet of vehicles, its management information systems, and its general and employee health self-insured programs. Because over 80% of these services benefit *governmental* functions as opposed to *business-type* functions, their net position and unallocated (investment) earnings have been included with *governmental activities* in the government-wide financial statements.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund statements can be found on pages 38 and 39 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information:** As the budgetary comparison schedules of the major governmental funds are not a part of the basic financial statements, this information is presented after the footnotes as *required supplementary information*. This report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its firefighters through the Firemen's Retirement and Relief Fund and its other employees through the Texas Municipal Retirement System and its progress in funding other postemployment benefits.

**Government-Wide Financial Analysis:**

Changes in assets over time may serve as a useful indicator of a government's financial position. Prior to the effective date of Statement No. 34 issued by the Governmental Accounting Standards Board, capital assets used in governmental fund activities were accounted for in a "general fixed assets group of accounts" and were not depreciated. Effective with its adoption of Statement No. 34 as of October 1, 2001, the City computed the accumulated depreciation on all governmental activity capital assets, including infrastructure. Therefore, changes in assets of both governmental and business-type activities, including capital assets as well as current assets, provide meaningful information to the reader. The table below reflects the City's net position as of September 30, 2013 compared to the prior year:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Percent 2013</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	
Current assets	\$ 173,670	\$ 168,245	\$ 71,042	\$ 51,820	\$ 244,712	\$ 220,065	19.79%
Noncurrent assets	2,153	3,671	26,620	33,768	28,773	37,439	2.33%
Capital assets	363,844	352,577	599,324	601,353	963,168	953,930	77.88%
<b>Total assets</b>	<b>\$ 539,667</b>	<b>\$ 524,493</b>	<b>\$ 696,986</b>	<b>\$ 686,941</b>	<b>\$ 1,236,653</b>	<b>\$ 1,211,434</b>	<b>100.00%</b>
Current liabilities	\$ 22,159	\$ 21,225	\$ 22,151	\$ 23,753	\$ 44,310	\$ 44,978	9.96%
Noncurrent liabilities	162,205	142,182	238,432	245,021	400,637	387,203	90.04%
<b>Total liabilities</b>	<b>\$ 184,364</b>	<b>\$ 163,407</b>	<b>\$ 260,583</b>	<b>\$ 268,774</b>	<b>\$ 444,947</b>	<b>\$ 432,181</b>	<b>100.00%</b>
Deferred inflows of resources	\$ -	\$ -	\$ 2,028	\$ -	\$ 2,028	\$ -	0.00%
<b>Net position:</b>							
Net investment in capital assets	\$ 329,551	\$ 320,391	\$ 371,302	\$ 375,863	\$ 700,853	\$ 696,254	88.75%
Reserved/restricted	9,038	5,576	5,879	5,703	14,917	11,279	1.89%
Unrestricted	16,714	35,119	57,194	36,601	73,908	71,720	9.36%
<b>Total net position</b>	<b>\$ 355,303</b>	<b>\$ 361,086</b>	<b>\$ 434,375</b>	<b>\$ 418,167</b>	<b>\$ 789,678</b>	<b>\$ 779,253</b>	<b>100.00%</b>

The City's net position increased by \$10.43 million during the current fiscal year. The following table reflects the elements of this change:

Table 1

**City of Amarillo, Texas - Changes in Net Position**  
(in thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		<i>Percent 2013</i>
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	
<b>Revenues</b>							
<b>Program revenues</b>							
Charges for services	\$ 46,316	\$ 43,109	\$ 85,707	\$ 78,632	\$ 132,023	\$ 121,741	47.58%
Operating grants and contributions	20,150	19,724	-	-	20,150	19,724	7.26%
Capital grants and contributions	9,573	12,682	2,745	7,898	12,318	20,580	4.44%
<b>General revenues:</b>							
Property taxes	36,426	36,102	-	-	36,426	36,102	13.12%
Other taxes	75,124	69,893	-	-	75,124	69,893	27.07%
Insurance recover/cost	-	-	698	-	698	-	0.25%
Investment earnings, etc.	567	735	238	217	805	952	0.29%
<b>Total revenues</b>	<b>188,156</b>	<b>182,245</b>	<b>89,388</b>	<b>86,747</b>	<b>277,544</b>	<b>268,992</b>	<b>100.00%</b>
<b>Expenses:</b>							
General/staff services	16,196	15,527	-	-	16,196	15,527	6.00%
Public safety	93,496	87,643	-	-	93,496	87,643	34.66%
Streets/traffic	20,897	21,680	-	-	20,897	21,680	7.75%
Culture and recreation	26,496	25,808	-	-	26,496	25,808	9.82%
Solid waste	13,950	13,734	-	-	13,950	13,734	5.17%
Transit	5,615	5,122	-	-	5,615	5,122	2.08%
Tourism/urban development	15,589	14,627	-	-	15,589	14,627	5.78%
Information technology	2,848	2,704	-	-	2,848	2,704	1.06%
Interest on long-term debt	2,139	2,218	-	-	2,139	2,218	0.79%
Water and sewer	-	-	60,199	58,290	60,199	58,290	22.32%
Drainage utility	-	-	1,745	47	1,745	47	0.65%
Airport	-	-	10,564	10,389	10,564	10,389	3.92%
<b>Total expenses</b>	<b>197,226</b>	<b>189,063</b>	<b>72,508</b>	<b>68,726</b>	<b>269,734</b>	<b>257,789</b>	<b>100.00%</b>
Excess (deficiency) before transfers	(9,070)	(6,818)	16,880	18,021	7,810	11,203	
Transfers	672	387	(672)	(387)	-	-	
<b>Change in net position</b>	<b>(8,398)</b>	<b>(6,431)</b>	<b>16,208</b>	<b>17,634</b>	<b>7,810</b>	<b>11,203</b>	
Net position, beginning	361,086	366,140	418,167	400,533	779,253	766,673	
Prior period adjustment (see Note 2)	2,615	1,377	-	-	2,615	1,377	
Net position, beginning, as restated	363,701	367,517	418,167	400,533	781,868	768,050	
Net position, ending	\$ 355,303	\$ 361,086	\$ 434,375	\$ 418,167	\$ 789,678	\$ 779,253	

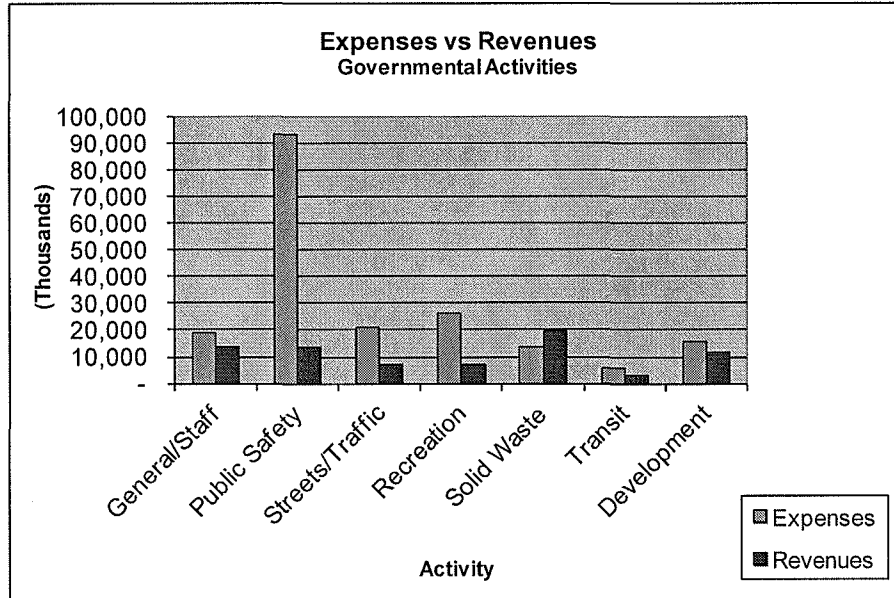
**Governmental activities:** The net position of the Governmental Activities was \$355.30 million. Of this amount, approximately \$329.55 million is net investment in capital assets. Restricted net position of \$2.36 million and \$6.67 million is restricted for debt service and other purposes, respectively. This leaves an unrestricted net position for Government Activities of \$16.72 million. Net position of the Business-type Activities, which are comprised of the Water and Sewer Fund, Drainage Utility Fund and the Airport Fund, totaled \$434.38 million. The unrestricted net position of the Business-type Activities are used to provide working capital and fund capital projects.

The decrease in net position for the Governmental Activities is attributable to the allocated cost of postemployment benefits required under GASB 45. Additional decreases in net position were attributable to increased liability for compensated absences, accrual of self insurance losses, increased long term debt and depreciation of capital assets.

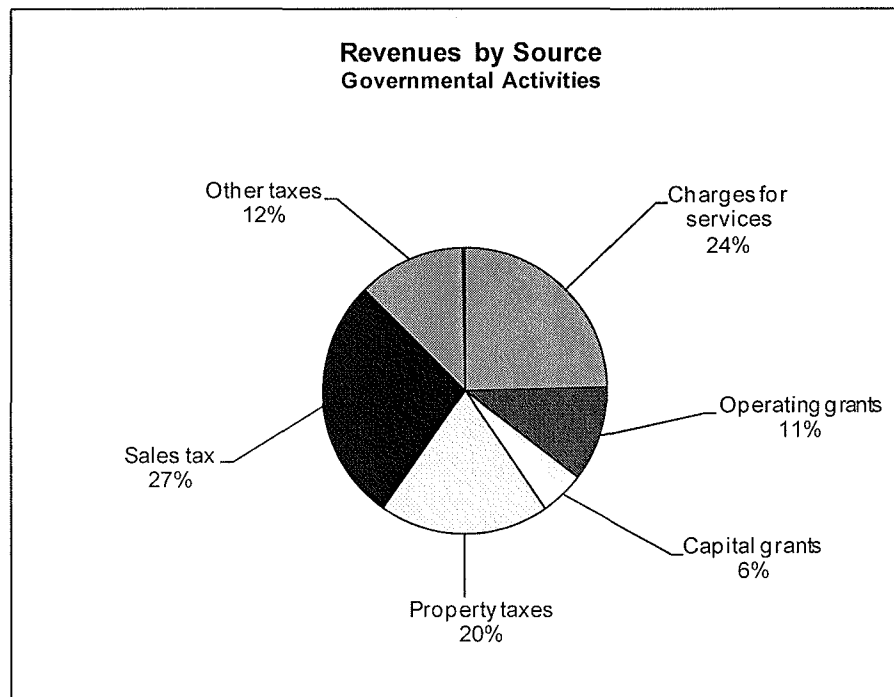
The accompanying bar chart entitled *Expenses vs. Revenues – Governmental Activities* - reflects the extent to which each of the major governmental functions of the City is supported by revenues designated for that purpose. These revenues include charges for services, intergovernmental revenues, and citizen participations and contributions. Charges for services include fees of the solid waste disposal utility and

transit system, revenues of the auditorium-coliseum complex and park department, and permits, licenses, and fines. For the current year, expenses of the governmental functions were \$197.23 million. Program revenues consisting of charges for services, operating grants, and capital grants were in total amount of \$76.04 million, resulting in a net cost of governmental functions in the amount of \$121.19 million to be supported by general revenues of the City which include property taxes and sales tax revenue. General revenues totaled \$112.79 million. General revenues and program revenues combined were \$188.83 million representing total revenues derived from governmental activities.

The chart below titled *Expenses vs. Revenues – Governmental Activities* – shows the expenses and revenues by activity. For most activities, expenses exceed revenues. General revenues such as sales tax and property taxes are used to fund most of the governmental activities.



The accompanying pie chart entitled *Revenues by Source – Governmental Activities* – reflects the major components of both revenues as described above of \$188.83 million excluding transfers of \$672,000.



**Business-type activities:** Business-type activities, which include the Water and Sewer Fund, Drainage Utility Fund and the Airport Fund, increased the City's net position by \$16.21 million. The increase in net position for the Business-type Activities is attributable to increased revenue in the Water and Sewer Fund, and the newly implemented drainage utility fees. Operating net income of the Water and Sewer Fund was \$22.29 million compared to \$22.43 million in the previous fiscal year. The operating income remains high due to increased water and sewer rates, as well as continued drought conditions which attributed to the record amount of water sold and consumed by our citizens. Airport net position increased by \$1.55 million, which is mainly attributable through increased operating revenues and increased passenger facility charge revenue. The Drainage Utility Fund is reporting a net position of \$2.89 million. The Drainage Utility Fund was approved in late fiscal year 2011/12 and had assessment income starting October 1, 2012. The Drainage Utility Fund had operating revenues of \$4.99 million for the first year of operation.

88.75% of the City's net position is net investment in capital assets (land, buildings, pipelines, streets and runways, etc.). Management reviews the use of these assets on an ongoing basis, and determines whether any should be disposed of. All of these assets are either being used in current City operations or, as in the case of underground water rights, are being held for planned future use.

\$14.92 million of the assets represent resources that are subject to external restrictions on how they may be used. These restrictions primarily represent accounts established in accordance with bond covenants together with bond proceeds held pending construction expenditures. Other restrictions include amounts to be spent in accordance with grant agreements. The balance of net position is available to meet the City's ongoing obligations to citizens and creditors.

**Water and Sewer System:** Water metered sales increased slightly by \$161,233. Water revenues are unpredictable because they are affected by the amount and timing of local rainfall. During 2012/13, the Texas Panhandle was still experiencing drought conditions, however, the conditions were not as severe as was experienced in 2010 through 2012. While the drought was not as severe as the previous years, large volumes of water were consumed during the hot summer months. With the increase in water volume sold combined with rate increases implemented for fiscal year 2011/12 and 2012/13 and a new rate tier for high consumption, residential customers increased water sales. Changes in water usage have little effect on sewer revenues; however, this revenue source increased by \$1.04 million due to rate changes and growth within the City.

**Airport:** The Airport has been in process of expanding facilities, and the Federal Aviation Administration funds a significant part of the cost of this expansion. While the Airport generally attempts to operate on a break-even basis, its net position increased by \$1.55 million. This increase is attributable to increased operating revenues made up of the terminal building revenue which includes the parking garage revenue. The passenger facility charge is approved to collect up to \$19.2 million, which will be used to pay back general obligation bonds issued on September 3, 2009 in the amount of \$16.14 million. During 2012/13, the Airport collected \$1.47 million in passenger facilities charges, which is \$169,366 less than the previous year. Airport operating revenues increased slightly from \$6.74 million to \$7.54 million. Operating revenues are derived from airlines, fees and commissions and other building rentals.

**Drainage Utility:** The Drainage Utility Fund completed the first year of operation and recorded operating revenues of \$4.99 million with \$1.73 million in operating expenses resulting in net operating income of \$3.26 million. Operating income will be used to service drainage debt that was issued during 2012/13. The total outstanding debt at year-end for the Drainage Utility Fund was \$5.82 million. Operating income will also be used to fund drainage projects, many of which are in the design and engineering stages at the end of this fiscal year. The fund did substantially complete its first capital improvement on Farmers Ave with a cost in excess of \$4.0 million.

## **Financial Analysis of the City's Funds:**

*Government funds:* The focus of the financial statements of *governmental* funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirement. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As management has long adhered to a policy of financing construction out of unreserved fund balances available after all current needs have been met, these balances also serve as an indication of the amounts available for expansion or replacement of infrastructure and other capital improvements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$102.35 million, an increase of \$2.17 million from the prior year. Beginning in fiscal year ending September 30, 2011, the City implemented and began reporting the fund balance structure under guidelines established by GASB 54. GASB 54 requires the fund balances of governmental funds be segregated into five major components. These are: Non-spendable, Restricted, Committed, Assigned and Unassigned. Of the total fund balances, approximately half has been designated by management for specific purposes, and is being accounted for in governmental funds established to control the expenditure of the funds for designated purposes. These funds consist primarily of the Capital Project Funds and the Compensated Absences Fund, which was established to currently fund the City's liability under its sick and annual leave policy. The balance is available to fund current expenditures, or to fund future capital improvement or operating needs. All of this unassigned fund balance is accounted for in the General Fund, which is the primary operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$51.71 million, of which \$50.06 million was unassigned.

The fund balance of the General Fund increased by \$5.45 million during the current year. The fund balance of the Capital Projects Funds decreased by \$4.78 million. This decrease is due to expenditures being made on active projects, including the completion and work being done on the projects funded by the \$25 million in Certificates of Obligation issued in fiscal year 2006/07. The capital projects funds had assigned fund balances of \$32.78 million at September 30, 2013. These funds are assigned for construction projects in progress and for projects currently in the planning stages and in the City's five-year capital plan.

The HUD Programs Fund accounts for funds administered by the City for the U.S. Department of Housing and Urban Development, including block grants, housing assistance, and various smaller low-income programs. Most of the grants awarded to the City are expenditure driven; thus, for most programs, revenues equal expenditures.

*Proprietary funds:* The financial statements of the Proprietary Funds provide information for the two types of funds – the Business-type (Enterprise) Funds and the Internal Service Funds. The Internal Service Fund financial statements reflect a net position deficit of \$51.06 million. The purpose of Internal Service Funds is to provide services within a government on a break-even basis. Funds classified as Internal Service are: Municipal Garage, Information Services, Risk Management and Employee Insurance. The net income or loss from these Internal Service Funds has been allocated back to the using departments or funds for the city-wide financial statements. The unrestricted net position of the Internal Service Funds is generally used to replace capital assets. Net position of the Internal Service Funds decreased by \$20.47 million due in large part of recording the liability and related expense in compliance with GASB 45 for post-employment health benefits in the Employee Insurance Fund. The GASB 45 liability increased by \$17.87 million for fiscal year ending September 30, 2013. The recording of this liability in the Employee Insurance Fund has created the overall deficit in net position for the Internal Service Funds as a whole. Net position for the Municipal Garage Fund, Information Services Fund, and Risk Management Fund remain positive and provide adequate resources for ongoing operations.

The accounting principles applied to these funds are similar to that of the private sector. Consequently, with the exception of the allocation of Internal Service Fund losses to business-type activities, the net position and changes in net position of the Enterprise Funds in these financial statements is identical with the net position and changes in net position in the city-wide financial presentation.

**Capital Assets and Debt Administration:**

**Capital assets:** The City's investment in capital assets as of September 30, 2013, was \$963.17 million, net of accumulated depreciation. The following tabulation summarizes the City's capital assets at September 30, 2013:

**City of Amarillo, Texas - Capital Assets**  
(in thousands - net of depreciation)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Land, easments and water rights	\$ 14,200	\$ 11,786	\$ 87,682	\$ 88,976	\$ 101,882	\$ 100,762
Infrastructure	140,649	137,257	-	-	140,649	137,257
Library resources	4,660	4,625	-	-	4,660	4,625
Water and sewer other	-	-	392,764	395,086	392,764	395,086
Airport facilities	-	-	75,669	70,952	75,669	70,952
Buildings and other improvements	151,626	148,914	-	-	151,626	148,914
Machinery and equipment	28,645	25,455	2,208	1,897	30,853	27,352
Construction in progress	24,064	24,540	41,001	44,442	65,065	68,982
<b>Total capital assets</b>	<b>\$ 363,844</b>	<b>\$ 352,577</b>	<b>\$ 599,324</b>	<b>\$ 601,353</b>	<b>\$ 963,168</b>	<b>\$ 953,930</b>

For this purpose, the vehicles, management information systems, and other assets of the Internal Service Funds are classified as assets used in government activities. Refer to Note 6 in the Notes to Basic Financial Statements for additional information related to capital assets.

The City of Amarillo attempts to fund its capital needs on a pay-as-you-go basis to the extent possible. The City from time to time will borrow funds in order to complete significant infrastructure projects. The City attempts to take advantage of favorable interest rates and use debt only when conditions are favorable. Note 11 to the financial statements discloses in detail the debt activities of the City. In addition, a Combined Schedule of Outstanding Debt Issuances is provided in the supplemental section of the CAFR. The following table shows the City's total principal amounts outstanding under bond agreements as of September 30, 2013:

**City of Amarillo, Texas - Outstanding Debt**  
(in thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
General obligation bonds	\$ 5,016	\$ 5,420	\$ -	\$ -	\$ 5,016	\$ 5,420
Certificates of obligation	20,600	21,620	90,695	106,965	111,295	128,585
Special assessment debt	8,340	8,680	-	-	8,340	8,680
Municipal garage revenue bonds	2,330	-	-	-	2,330	-
Water and sewer revenue bonds	-	-	46,970	48,085	46,970	48,085
Water authority debt	-	-	88,399	98,802	88,399	98,802
Drainage utility revenue bonds	-	-	5,820	-	5,820	-
Airport	-	-	11,135	13,289	11,135	13,289
<b>Total outstanding debt</b>	<b>\$ 36,286</b>	<b>\$ 35,720</b>	<b>\$ 243,019</b>	<b>\$ 267,141</b>	<b>\$ 279,305</b>	<b>\$ 302,861</b>

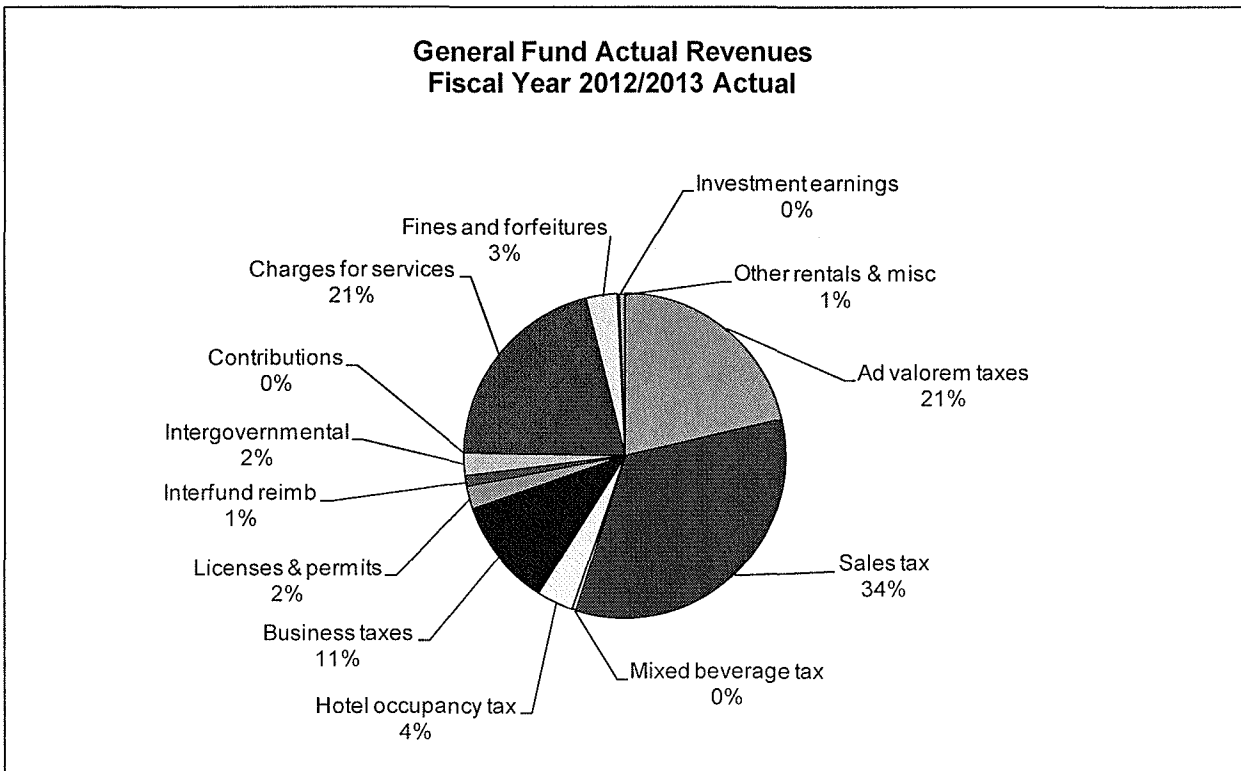


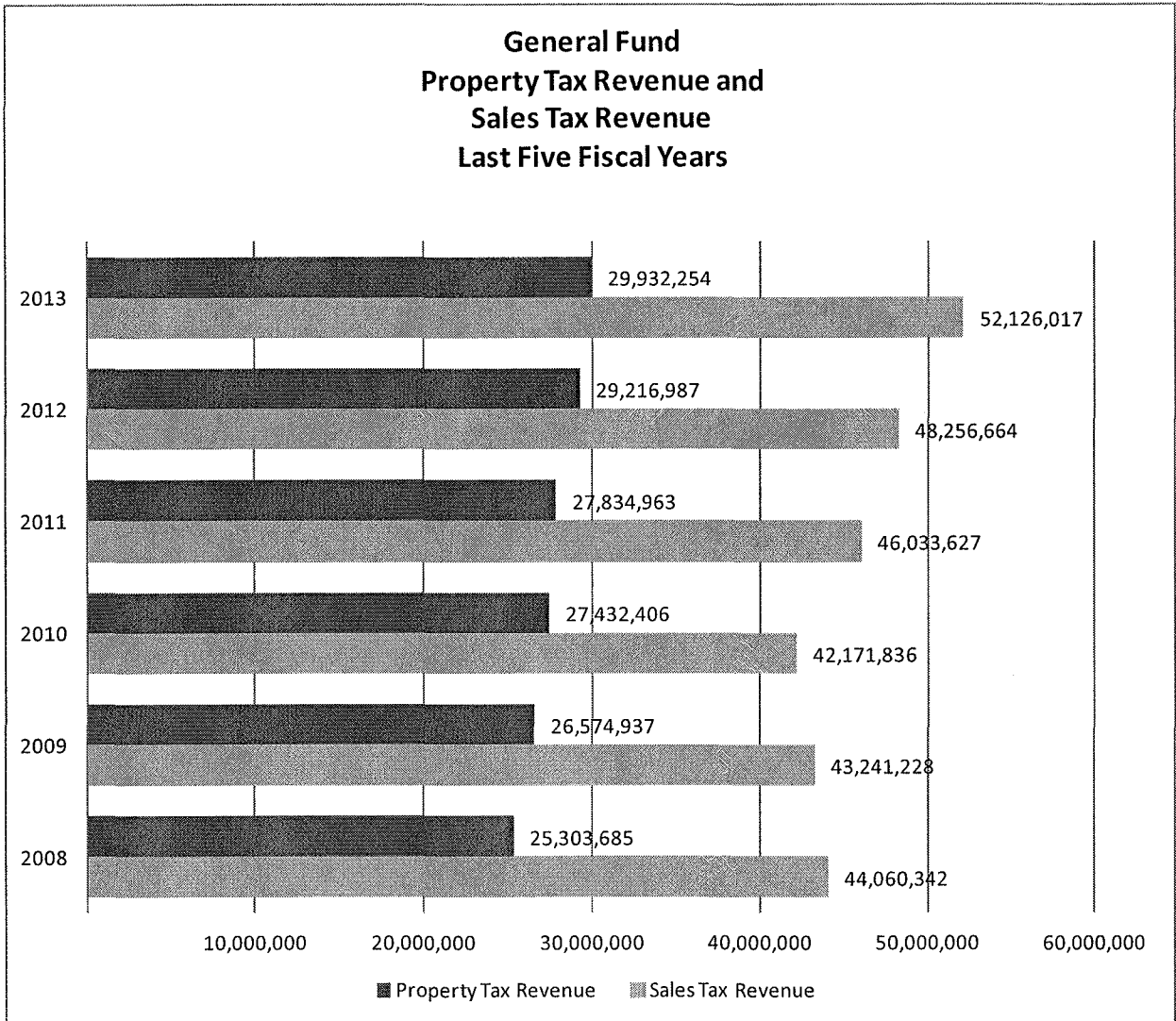
Refer to Notes 10 and 11 in the Notes to Basic Financial Statements for additional information related to long-term debt and other commitments.

**General Fund Budgetary Highlights**

The primary purpose of the General Fund is to account for general revenues such as property taxes, sales taxes, and other taxes and expenditures related to essential city functions and programs. The General Fund is comprised of multiple departments that carry out many of the City's essential functions from street repair and maintenance, traffic, fire and police protection, sanitation collection and disposal, and other administrative functions just to name a few.

**General Fund Revenues:** The total General Fund revenues budgeted for fiscal year 2012/13 was \$148.78 million. Certain reclassifications of interdepartmental reimbursements are made from the approved budget for financial reporting purposes. Actual sales tax revenue accounts for 33.53% of the General Fund total revenue excluding transfers. Sales tax revenues were budgeted for \$48.72 million. Actual sales tax revenues for 2012/13 were \$52.13 million. Sales tax revenues exceeded expected budgeted amounts by \$3.41 million. Despite the slow recovering national economy, our local economy has seemed to be weathering this well with the significant increase in sales tax revenues. Most cities in Texas have experienced the same growth in sales tax revenue. Another major component of General Fund revenues is ad valorem property taxes. As detailed on page 147, General Fund ad valorem tax collections were budgeted at \$29.26 million. Actual ad valorem taxes were \$29.93 million. Other General Fund revenues are comprised of charges for services, business taxes, fines and forfeitures, investment earnings and miscellaneous revenues. In total, the actual General Fund revenues exceeded budgeted revenues by \$6.68 million. The attached chart shows the major sources of total General Fund revenues as summarized on page 106:

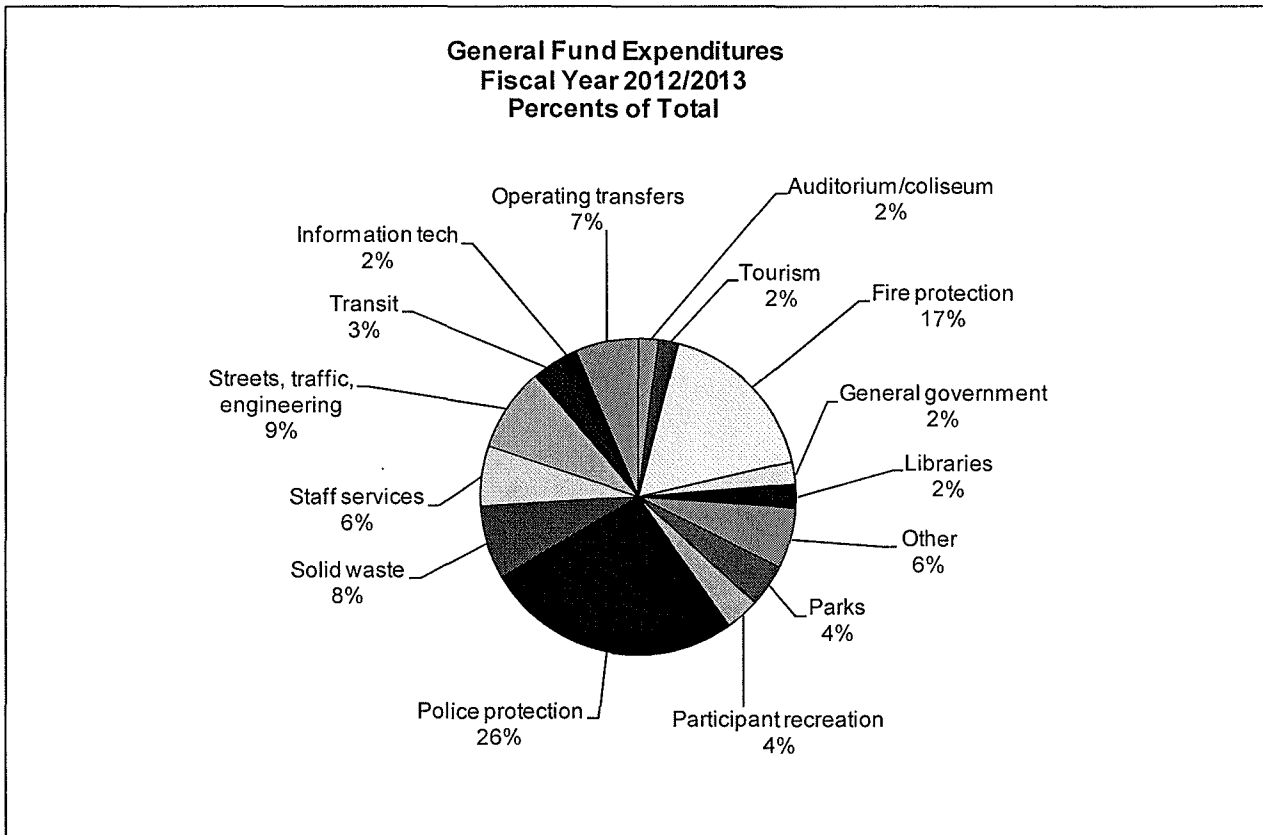




In the above graph you can see the growth rate of the General Fund property tax revenue (ad valorem tax collections) in contrast with the growth rate of sales tax revenue. The sales tax revenue despite a nationwide slow economic recovery has fared well and has a healthy, positive trend line. The City management keeps a watchful eye on the monthly sales tax to spot any flattening trends that might develop. Ad valorem tax revenues show an increase mainly due to increased property values. The tax rate in effect for the year ending September 30, 2013 was \$0.32009 which is the same rate in effect for the previous fiscal year. The total value of properties on the tax roll is now approximately \$10.4 billion.

**General Fund Expenditures:** The total General Fund operating expenditure budget excluding fund transfers for fiscal year 2012/13 was \$144.37 million. Total actual expenditures and appropriations against the operating budget for 2012/13 were \$140.39 million. This resulted in under-spending the budget by \$3.98 million. Police and Fire protection combined account for approximately 45% of the General Fund expenditure budget. Operating transfers to Capital Projects Funds and other funds were budgeted for \$9.84 million.

Actual General Fund transfers to capital projects funds during the year were \$9.52 million. The following chart shows the breakdown by functional area of the General Fund actual expenditures for 2012/13:



The City's primary source of funding the annual General Fund CIP program is through reallocation of excess revenues and unspent monies from the preceding fiscal year. The goal is to maintain an adequate level of fund balance or reserves within the General Fund for contingencies and operations and to allocate any excess funds to the capital improvement program.

### **Economic Factors and Next Year's Budget and Rates**

The 2013/14 budget is a balanced budget. It is based on conservative revenue estimates, a low ad valorem tax rate, and complies fully with all relevant state and local requirements. The Council increased the property tax rate by \$0.02 to \$0.34009 per \$100 valuation. With \$0.01 of the tax increase funding ten additional police officer positions, the Council also designated an additional \$0.01 increase to be used to enhance employee compensation. This budget takes many positive strides forward for Amarillo, including the addition of much needed public safety personnel. The addition of eight firefighter positions will complete the staffing for the second company at the newly completed Fire Station #13. With the tax increase mentioned above, the City will fund 13 new police officer positions, moving the City closer to the goal of two officers per 1,000 population. Three new Animal Control officer positions will allow the City to expand hours to better meet the needs of the public. The budget further provides for continued improvements to our streets, water system, wastewater system, parks and core services. This budget addresses internal City efforts such as the Information Technology division and the City fleet.

The City was very pleased with the increase in sales tax receipts for the 2011/12 year. The 2011/12 sales tax receipts represented an all-time record collection year. We included a revised budget of \$50.9 million in sales tax receipts for the 2012/13 fiscal year, which was up \$2.2 million over the original budget. This represented an increase for 2012/13 that went above and beyond the record set the prior year as noted above. In preparing the 2013/14 budget, we included a 3% increase over 2012/13 for a budget estimate of \$52.5 million. The trend has been positive for many months, yet the 2013/14 sales tax budget is very conservative and does not depend on significant increases through the year. The City of Amarillo is heavily reliant upon the sales tax, and the continued upward trends contribute greatly to the ability to address staffing concerns in public safety, transit and compensation issues.

### **Property Taxes**

Amarillo continues to maintain the second lowest ad valorem tax rate among similarly sized cities in the state. The 2013/14 ad valorem tax rate is \$0.34009 per \$100 valuation, which is a \$0.02 increase over the prior year.

The total value of properties on the tax roll is now approximately \$10.9 billion and the value of frozen or capped properties is approximately \$1.9 billion. This results in a taxable value for the City of approximately \$9.0 billion. The loss in taxable value due to the increase in frozen properties for the year is \$1.1 million. That amount must be made up through either new growth in the tax roll, increased appraisal value of non-capped properties, or through adjustments in the overall tax rate. For the 2013/14 budget, the revenue lost from frozen taxes is \$645,947 or 1.8% of the current ad valorem tax levy. In 2012, Amarillo experienced \$304 million in total growth of all property. Of this amount, \$215 million was new property added to the tax roll.

### **Franchise Fees, User Fees and Charges**

During the 2010/11 fiscal year, the City issued water and sewer bonds to fund water rights purchases, as well as participating in a CRMWA debt issue for the purchase of ground water rights. Funding of this debt service necessitated an 11% increase in the water and sewer rates. This rate increase was implemented over two budget cycles. Thus, rates were increased by 6% in the 2011/12 budget, and we included a 5% increase to follow for the 2012/13 fiscal year budget. For the 2013/14 fiscal year, the City has included a 2% rate increase. The water rate structure is designed so that customers who only use water for domestic use still have very reasonable rates. A residential 10,000 gallon water user will have a monthly rate of \$28.34, which is very low compared to other Texas cities.

For 2013/14, we have included an increase on the landfill collection charges from \$29 to \$30 per ton. The additional revenue from this is dedicated to covering the increasing cost of regulatory compliance at the Landfill. The charge for residential solid waste customers will increase from \$14.30 monthly to \$15. Revenue from the electricity and gas franchise fees is projected to increase for the 2013/14 fiscal year from these sources.

**CONSOLIDATED BUDGET**

Our 2013/14 fiscal year budget is \$298,068,006; which is a 9.9% or \$26,797,807 increase compared to our 2012/13 budget of \$271,270,199.

The areas of specific increase/decrease in this budget are:

	<b>FY 2012/2013</b>	<b>FY 2013/2014</b>	<b>% Change</b>
General Fund M&O	\$152,303,266	\$163,198,265	7.2%
Water & Sewer M&O	\$43,366,468	\$43,733,976	0.8%
Capital Improvement Projects	\$40,769,015	\$58,441,659	43.3%
Special Revenue M&O	\$19,851,112	\$19,879,800	0.1%
Municipal Garage M&O	\$9,192,085	\$9,553,462	3.9%
Insurance M&O	\$22,687,813	\$25,237,495	11.2%
Debt Service	\$23,385,461	\$25,234,744	7.9%
Airport M&O	\$6,333,861	\$6,688,180	5.6%
Drainage Utility M&O	\$1,691,756	\$1,994,043	17.9%
Info Technology M&O	\$3,838,349	\$4,576,311	19.2%
Capital Transfers	\$341,413	\$351,265	2.9%
Less Interfund Transfers	(\$52,490,400)	(\$60,821,194)	(15.9)%
<b>Total Budget</b>	<b>\$271,270,199</b>	<b>\$298,068,006</b>	<b>9.9%</b>

Municipal government is a service provision business and the predominant expense category in our budget is always personnel and associated employee salaries and benefits expense. Personnel costs comprise 46% or \$137.2 million of our 2013/14 net budget. The second largest category is Capital Improvement Projects of \$58.4 million or 20% of our budget. The third highest category of expenses is Debt Service, which accounts for 8% or \$25.2 million of our budget. Debt service expenditures include all funds. The largest category increase in the 2013/14 budget is Capital Improvements.

**Employee Staffing**

The 2013/14 budget consists of 2,085 permanent and 346 part-time employee positions. Permanent positions have increased by 43 positions over the current year and part-time positions have decreased by one. The largest single increase is in public safety, with a total of 24 new positions. With the increase in the sales tax revenue, we have been able to continue addressing staffing concerns.

<b><u>Personnel Additions</u></b>	<b><u>Department</u></b>	<b><u>Full Time</u></b>
Communications Technician	Radio Communications	1
Building Technician II	Civic Center Promotions	1
BAS Controls Technician	Facilities	1
Project Construction Supervisor	Engineering	1
Police Officer	Police	13
Animal Control Officer I	Animal Control	3
Route Supervisor Assistant	Transit	1
Van Operator	Transit	1
Fire Captain	Fire Department	1

<u>Personnel Additions</u>	<u>Department</u>	<u>Full Time</u>
Fire Lieutenant	Fire Department	2
Fire Driver	Fire Department	3
Firefighter	Fire Department	2
Administrative Assistant II	Utility Billing	1
GIS Technician I	Director of Utilities	1
Utility Technician	Wastewater Collection	1
Water/Sewer Foreperson I	Wastewater Collection	1
Security Operations Agent	Airport	1
Utility Operator	Drainage Utility	1
Utility Worker	Drainage Utility	2
Equipment Operator III	Drainage Utility	1
IT Coordinator	Information Technology	1
Range Officer (reclass hourly)	Police Civilian Personnel	1
Marketing Coordinator (reclass hourly)	Parks & Recreation	1
Recreation Coordinator/Specialist (reclass hourly)	Parks & Recreation	<u>1</u>
<b>Total Additions</b>		<u><u>43</u></u>

For the 2013/14 fiscal year, we have proposed an additional 13 new police officers. The Police Department will now have 358 sworn police officers, which is an increase of 41 since the 2009/10 fiscal year. Our goal is to add 10 to 12 officers each year for the next three years. During the 2011/12 fiscal year, we added three additional firefighters to begin staffing a second engine company at Station #13. For the 2012/13 year, we added an additional four firefighters and are including an additional eight firefighters for a total of 259. Collectively, the Police and Fire Departments account for approximately 42% of the General Fund budget and are a major service priority of our residents. The authorized strength of the Police Department has fallen behind the growth rate over the last several years and this is an area that received considerable attention in the 2013/14 budget.

The City Water and Sewer Utility has 264 full-time employees and seven part-time employees. We have 126 full-time and 197 part-time employees in the Parks Department and at our golf courses, 59 employees at the Airport, 58 full-time and 20 part-time employees in the five libraries, 31 full-time employees in Building Safety, 36 full-time and nine part-time employees in the Civic Center Complex, and 53 employees to maintain and clean City facilities. The Solid Waste Collection and Disposal operation has 139 full-time and eight part-time employees. The Street Department has 86 full-time and 13 part-time employees and the Traffic Engineering Department, which includes the school crossing guard program, has 44 part-time and 24 full-time employees. The Transit Department has 65 full-time employees and the Municipal Garage has 53 full-time employees. The Drainage Utility Fund has 20 full-time and two part-time employees, including nine positions transferred from the Street Department.

### Employee Compensation

- 1) Increase of 3.75% across the board for Police and Fire.
- 2) Increase of 3.50% as pay-for-performance, based on annual evaluations.
- 3) Enhancement to high turnover positions.

- 4) Continuation of the civilian Discretionary Retention Pay (DRP) program.
- 5) Continued funding of employee incentive pay programs.

The total cost of these pay plan improvements and benefits is \$4,670,420. Most of the cost (\$3,725,000) is in the General Fund.

### **Capital Projects**

The recommended Capital Improvement Program (CIP) budget for the 2013/14 fiscal year is \$58.4 million, which has increased from the \$40.8 million available in 2012/13. The City has included \$4.17 million between three projects to fully fund the 809 South Pierce building remodel. This project will allow the consolidation of the Development Services departments. Included in the 2013/14 Capital Program is \$8.1 million in Drainage Utility Projects. The most significant is \$5 million to fund the Martin Road Lake project. The most significant General Fund projects include: \$3.1 million for arterial reconstruction, \$1.2 million for street overlay, plus an additional \$800,000 to fund improvements to area parks.

We are very pleased to fund water and sewer capital at \$23.4 million. The Lift Station #7 project is the largest at \$8.8 and will be financed through a grant and bond issue through the Texas Water Development Board. Also included in the budget is \$3 million for water main replacement and extensions and an additional \$3.3 million for sewer main extensions and improvements. We have also included \$1.25 million to replace tanks and clarifiers at the River Road Treatment Plant. The Airport has budgeted \$5 million for capital. Of that amount, we anticipate \$2.9 million from Federal Aviation Administration grant funding. We have included \$700,000 for the final phase of construction of a consolidated service center for rental car operations.

### **Featured Programs**

The City of Amarillo and the Amarillo Local Government Corporation (ALGC) continue the development of the downtown convention center hotel, parking structure, and multi-purpose venue. Several other entities such as the Amarillo Tax Increment Reinvestment Zone #1 and Center City of Amarillo are also contributing to these efforts. As the projects develop, the downtown core of Amarillo, and the City as a whole, will have an opportunity for significant growth and economic development.

The 2013/14 budget continues improvements to the City's transit system. Each of the last two budgets has expanded the capacity of the Spec-Trans system. This system provides direct door-to-door service for qualifying riders and provides the only accessible transportation for many Amarillo residents to access healthcare and other important basic services.

The City will continue its focus on street repairs and improvements in the 2013/14 budget year. Funding from the one-cent tax rate increase during the 2011/12 year is carried forward into the current year to allow for a larger arterial overlay program. This program maximizes the lifespan of our arterial streets and delays or prevents expensive reconstruction projects. The City has several reconstruction projects scheduled, with the focus this year being the completion of the reconstruction of 34th from Sony to Coulter. Completion of this segment will have the full span of 34th in excellent condition and suitable for future overlay work rather than reconstruction.

**Request for information:**

This financial report is designed to provide a general overview of the City of Amarillo's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105-1971.



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## **BASIC FINANCIAL STATEMENTS**

These statements present an overview of the financial position and transactions of the entire reporting entity. The Statement of Net Position and Statement of Activities report information on all of the nonfiduciary resources and activities of the primary government and its component units. These statements, as well as the Statement of Net Position and Statement of Activities of the component units, are presented on a basis of accounting promulgated by the Governmental Accounting Standards Board, which is similar to the generally accepted accounting principles applicable to commercial enterprises. The financial statements of the governmental funds, proprietary funds, and the fiduciary funds are presented in accordance with generally accepted governmental accounting principles to the types of funds presented.

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**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF NET POSITION**  
September 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 43,002,488	\$ 33,536,346	\$ 76,538,834	\$ 18,446,671
Investments	93,022,199	46,850,787	139,872,986	196,104,266
Receivables, net	11,254,948	13,063,207	24,318,155	7,885,485
Internal balances	23,342,535	(23,342,535)	-	-
Inventories and prepaid expenses	3,047,366	933,853	3,981,219	5,407,931
Other current assets	-	-	-	1,078,395
Total current assets	<u>173,669,536</u>	<u>71,041,658</u>	<u>244,711,194</u>	<u>228,922,748</u>
<b>NONCURRENT ASSETS</b>				
Restricted cash and cash equivalents	1,653,842	25,670,448	27,324,290	5,006,679
Restricted investments	500,000	-	500,000	-
Receivables, net	-	949,329	949,329	88,004,778
Other noncurrent assets	-	-	-	18,452,613
Land and building held for future incentives	-	-	-	9,589,394
Capital assets:				
Land	8,641,254	4,530,161	13,171,415	-
Contributed right of way easements	5,559,804	796,041	6,355,845	-
Water rights and contracts, net of amortization	-	82,355,440	82,355,440	-
Infrastructure, net of depreciation	140,648,872	-	140,648,872	-
Buildings and improvements, net of depreciation	151,626,035	468,433,793	620,059,828	28,566,379
Equipment and vehicles, net of depreciation	28,644,536	2,207,804	30,852,340	115,382
Library resources, net of depreciation	4,659,554	-	4,659,554	-
Construction in progress	24,064,026	41,001,252	65,065,278	-
Total noncurrent assets	<u>365,997,923</u>	<u>625,944,268</u>	<u>991,942,191</u>	<u>149,735,225</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 539,667,459</b></u>	<u><b>\$ 696,985,926</b></u>	<u><b>\$ 1,236,653,385</b></u>	<u><b>\$ 378,657,973</b></u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 11,818,591	\$ 7,512,110	\$ 19,330,701	\$ 1,284,971
Current portion of long-term obligations	2,301,067	5,095,527	7,396,594	4,530,000
Estimated liability for self-insured losses, current portion	6,497,728	-	6,497,728	60,000
Bonded debt current maturity	-	9,285,000	9,285,000	-
Current portion of compensated absences	1,541,716	258,142	1,799,858	-
Total current liabilities	<u>22,159,102</u>	<u>22,150,779</u>	<u>44,309,881</u>	<u>5,874,971</u>
<b>NONCURRENT LIABILITIES</b>				
Liabilities payable from restricted assets	-	-	-	519,912
Noncurrent portion of long-term obligations	34,146,073	233,433,203	267,579,276	75,301,854
Other accrued expenses	-	2,979,023	2,979,023	-
Estimated liabilities for:				
Compensated absences, net	17,300,372	1,364,322	18,664,694	208,298
Self-insured losses, net of current portion	11,114,006	-	11,114,006	164,128
Landfill closure and postclosure care	2,225,210	-	2,225,210	-
Postemployment benefits	92,442,087	-	92,442,087	-
Net pension obligation	4,977,430	654,995	5,632,425	-
Total noncurrent liabilities	<u>162,205,178</u>	<u>238,431,543</u>	<u>400,636,721</u>	<u>76,194,192</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 184,364,280</b></u>	<u><b>\$ 260,582,322</b></u>	<u><b>\$ 444,946,602</b></u>	<u><b>\$ 82,069,163</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	\$ -	\$ 2,028,211	\$ 2,028,211	\$ -
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>\$ -</b></u>	<u><b>\$ 2,028,211</b></u>	<u><b>\$ 2,028,211</b></u>	<u><b>\$ -</b></u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 329,550,783	\$ 371,302,208	\$ 700,852,991	\$ 21,800,738
Restricted for:				
Debt service	2,364,008	5,879,001	8,243,009	1,097,604
Other purposes	6,673,794	-	6,673,794	3,542,472
Unrestricted	16,714,594	57,194,184	73,908,778	270,147,996
<b>TOTAL NET POSITION</b>	<u><b>\$ 355,303,179</b></u>	<u><b>\$ 434,375,393</b></u>	<u><b>\$ 789,678,572</b></u>	<u><b>\$ 296,588,810</b></u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 4,414,442	\$ 5,739,330	\$ -	\$ 594,974
Staff services	11,782,395	4,332,448	372,849	2,550,441
Public safety and health				
Police protection	46,549,541	1,472,384	296,743	-
Fire protection	31,234,515	1,921,186	35,604	-
Other	15,712,352	5,487,382	4,728,204	31,724
Streets, traffic and engineering	20,897,358	737,912	47,000	6,370,884
Culture and recreation				
Auditorium/Coliseum	5,855,887	2,406,227	398,004	-
Libraries	4,754,289	155,942	1,204	-
Parks	9,196,545	1,295,859	15,500	-
Participant recreation	6,688,683	2,781,262	17,434	-
Solid waste	13,950,138	19,638,691	-	-
Transit	5,614,558	207,492	2,695,522	15,191
Information technology	2,847,562	-	-	-
Economic development	3,083,969	20,500	-	-
Urban redevelopment/housing	12,504,610	119,742	11,541,525	9,424
Interest on long-term debt	2,138,731	-	-	-
Total governmental activities	<u>197,225,575</u>	<u>46,316,357</u>	<u>20,149,589</u>	<u>9,572,638</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water and Sewer	60,199,606	71,518,531	-	369,472
Drainage Utility	1,745,262	5,073,594	-	85,657
Airport	10,563,835	9,115,320	-	2,290,337
Total business-type activities	<u>72,508,703</u>	<u>85,707,445</u>	<u>-</u>	<u>2,745,466</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 269,734,278</u>	<u>\$ 132,023,802</u>	<u>\$ 20,149,589</u>	<u>\$ 12,318,104</u>
<b>COMPONENT UNITS</b>				
Amarillo Hospital District	\$ 8,739,162	\$ -	\$ 208,998	\$ 33,063
Amarillo Economic Development Corporation	24,134,763	6,222,671	-	329,046
Amarillo-Potter Events District	3,268,540	82,982	-	-
Amarillo Housing Finance Corporation	-	299	-	-
Amarillo Health Facilities Corporation	-	-	-	-
Amarillo Local Government Corporation	16,353	-	-	-
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 36,158,818</u>	<u>\$ 6,305,952</u>	<u>\$ 208,998</u>	<u>\$ 362,109</u>

**GENERAL REVENUES**

Property taxes, levied for general purposes  
Property taxes, levied for debt services  
Sales taxes  
Mixed beverage taxes  
Hotel occupancy taxes  
Gross receipts business taxes  
Unrestricted investment earnings  
Insurance recovery/cost

**TRANSFERS**

Total general revenues and transfers

**CHANGE IN NET POSITION**

**NET POSITION, BEGINNING OF YEAR**

**PRIOR PERIOD ADJUSTMENT (NOTE 2)**

**NET POSITION, BEGINNING OF YEAR, RESTATED**

**NET POSITION, END OF YEAR**

The accompanying notes are an integral part of the basic financial statements.

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ 1,919,862	\$ -	\$ 1,919,862	\$ -
(4,526,657)	-	(4,526,657)	-
(44,780,414)	-	(44,780,414)	-
(29,277,725)	-	(29,277,725)	-
(5,465,042)	-	(5,465,042)	-
(13,741,562)	-	(13,741,562)	-
(3,051,656)	-	(3,051,656)	-
(4,597,143)	-	(4,597,143)	-
(7,885,186)	-	(7,885,186)	-
(3,889,987)	-	(3,889,987)	-
5,688,553	-	5,688,553	-
(2,696,353)	-	(2,696,353)	-
(2,847,562)	-	(2,847,562)	-
(3,063,469)	-	(3,063,469)	-
(833,919)	-	(833,919)	-
(2,138,731)	-	(2,138,731)	-
(121,186,991)	-	(121,186,991)	-
-	11,688,397	11,688,397	-
-	3,413,989	3,413,989	-
-	841,822	841,822	-
-	15,944,208	15,944,208	-
(121,186,991)	15,944,208	(105,242,783)	-
-	-	-	(8,497,101)
-	-	-	(17,583,046)
-	-	-	(3,185,558)
-	-	-	299
-	-	-	-
-	-	-	(16,353)
-	-	-	(29,281,759)
33,548,566	-	33,548,566	76,810
2,875,654	-	2,875,654	-
52,126,017	-	52,126,017	17,375,339
595,016	-	595,016	-
5,691,118	-	5,691,118	-
16,712,223	-	16,712,223	2,589,164
567,298	238,073	805,371	(5,992,233)
-	697,782	697,782	-
672,355	(672,355)	-	-
112,788,247	263,500	113,051,747	14,049,080
(8,398,744)	16,207,708	7,808,964	(15,232,679)
361,086,702	418,167,685	779,254,387	314,404,259
2,615,221	-	2,615,221	(2,582,770)
363,701,923	418,167,685	781,869,608	311,821,489
\$ 355,303,179	\$ 434,375,393	\$ 789,678,572	\$ 296,588,810

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2013**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,337,623	\$ 15,938,700	\$ 7,558,047	\$ 28,834,370
Restricted cash and cash equivalents	-	-	623,959	623,959
Investments, at fair values	43,233,576	17,606,124	9,879,254	70,718,954
Restricted investments			500,000	500,000
Receivables, net of allowances for uncollectibles				
Property taxes	347,584	-	16,930	364,514
Accounts	1,880,740	26	281,437	2,162,203
Accrued interest	98,978	32,394	30,985	162,357
Other accrued revenue	1,580,100	-	41,386	1,621,486
Due from other funds unrestricted	984,995	-	148,949	1,133,944
Due from other governments	4,909,843	37,300	1,254,147	6,201,290
Inventory of supplies	1,553,581	-	-	1,553,581
Prepaid items	7,742	1,000	627,029	635,771
<b>TOTAL ASSETS</b>	<u>\$ 59,934,762</u>	<u>\$ 33,615,544</u>	<u>\$ 20,962,123</u>	<u>\$ 114,512,429</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers payable	\$ 1,413,906	\$ 356,043	\$ 211,246	\$ 1,981,195
Accounts payable	2,056,919	196,615	425,429	2,678,963
Accrued expenses	3,307,073	265,576	49,225	3,621,874
Deposits	136,869	-	1,268,954	1,405,823
Due to other funds - unrestricted	76,423	15,000	1,043,595	1,135,018
Due to other governments	859,548	-	25,090	884,638
Unearned revenues - property taxes	253,091	-	4,203	257,294
Unearned revenues - other	117,773	-	82,667	200,440
Total liabilities	<u>8,221,602</u>	<u>833,234</u>	<u>3,110,409</u>	<u>12,165,245</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	7,742	1,000	627,029	635,771
Inventory	1,553,581	-	-	1,553,581
Uncollected taxes	94,493	-	12,727	107,220
Restricted for:				
Debt service	-	-	534,276	534,276
Capital projects	-	-	-	-
Special purposes	-	-	6,673,794	6,673,794
Committed for:				
Compensated absences	-	-	10,003,888	10,003,888
Assigned for:				
Capital projects	-	32,781,310	-	32,781,310
Unassigned	50,057,344	-	-	50,057,344
Total fund balances	<u>51,713,160</u>	<u>32,782,310</u>	<u>17,851,714</u>	<u>102,347,184</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 59,934,762</u>	<u>\$ 33,615,544</u>	<u>\$ 20,962,123</u>	<u>\$ 114,512,429</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 102,347,184

The City uses internal service funds to charge the costs of the municipal garage, information services, risk management and employee health services to other departments of the City on a cost-reimbursement basis. The assets and liabilities, excluding capital assets, of the internal service funds are included in the governmental activities in the statement of net position. (73,681,715)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the balances for capital assets (net of depreciation) in the governmental activities is to increase net position. 363,844,081

Capital assets, net October 1, 2012	\$	352,576,905
Net current year additions		30,324,337
Net current year deletions		<u>(19,057,161)</u>
Capital assets, net September 30, 2013	\$	<u>363,844,081</u>

Long-term liabilities, including bonds payable and compensated absence liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. In addition, long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as reductions in long-term debt in the government-wide financial statements. The net effect of including the long-term liabilities and the debt principal payments is to decrease net position. Those liabilities consist of: (61,508,019)

Long-term debt	\$	36,447,140
Compensated absence		18,100,727
Landfill closure and postclosure		2,225,210
Net pension obligation		<u>4,734,942</u>
	\$	<u>61,508,019</u>

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unearned revenue as revenue, eliminating interfund transactions, and recognizing the receivable from the business-type activities for services provided by the internal service funds. The net effect of these reclassifications and recognitions is to increase net position. 24,301,648

Unearned revenue	\$	457,734
Accrued interest payable		(465,563)
Internal service unspent bond proceeds		966,942
Internal balances		<u>23,342,535</u>
	\$	<u>24,301,648</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 355,303,179

The accompanying notes are an integral part of the basic financial statements.



**CITY OF AMARILLO, TEXAS**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2013**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes				
Ad valorem taxes	\$ 33,212,357	\$ -	\$ 2,875,654	\$ 36,088,011
Sales taxes	52,126,017	-	-	52,126,017
Mixed beverage taxes	595,016	-	-	595,016
Hotel occupancy taxes	5,691,118	-	-	5,691,118
Gross receipts business taxes	16,712,223	-	-	16,712,223
License and permits	3,514,170	-	-	3,514,170
Interfund revenues	1,675,119	-	-	1,675,119
Intergovernmental revenues	3,528,450	2,624,125	15,792,940	21,945,515
Citizen contributions	22,814	-	22,824	45,638
Construction participation	-	3,966,451	10,159	3,976,610
Revenue from participating taxing entities	-	-	594,974	594,974
Other entity participations	-	-	820,676	820,676
Charges for services	32,318,766	199,623	1,516,274	34,034,663
Fines and forfeitures	4,842,882	-	1,094,585	5,937,467
Investment earnings	298,071	96,497	53,688	448,256
Other rentals and commissions	412,125	6,097	-	418,222
Miscellaneous	508,341	50,007	112,749	671,097
Total revenues	<u>155,457,469</u>	<u>6,942,800</u>	<u>22,894,523</u>	<u>185,294,792</u>
<b>EXPENDITURES</b>				
Current				
General government	3,409,164	-	230,898	3,640,062
Staff services	9,240,292	-	379,086	9,619,378
Public safety and health				
Police protection	39,509,096	-	430,790	39,939,886
Fire protection	26,045,509	-	-	26,045,509
Other	9,320,864	-	4,728,645	14,049,509
Streets, traffic and engineering	12,852,628	-	-	12,852,628
Culture and recreation				
Auditorium - Coliseum	3,028,057	-	311,765	3,339,822
Libraries	3,617,582	-	3,624	3,621,206
Parks	6,514,267	1,813	617,955	7,134,035
Participant recreation	5,214,110	-	24,705	5,238,815
Solid waste	11,311,765	-	-	11,311,765
Transit system	4,267,016	-	-	4,267,016
Urban redevelopment and housing	-	-	12,261,800	12,261,800
Information technology	2,847,562	-	-	2,847,562
Tourism	3,083,969	-	-	3,083,969
Capital outlay	57,453	20,376,661	302,215	20,736,329
Debt service				
Principal retirement	-	-	1,763,860	1,763,860
Interest and fiscal charges	-	-	1,673,168	1,673,168
Termination vacation and sick leave pay	-	-	1,552,850	1,552,850
Total expenditures	<u>140,319,334</u>	<u>20,378,474</u>	<u>24,281,361</u>	<u>184,979,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,138,135</u>	<u>(13,435,674)</u>	<u>(1,386,838)</u>	<u>315,623</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	51,001	10,346,029	911,024	11,308,054
Transfers to other funds	(9,740,541)	(1,690,291)	(634,507)	(12,065,339)
Total other financing sources (uses)	<u>(9,689,540)</u>	<u>8,655,738</u>	<u>276,517</u>	<u>(757,285)</u>
Net change in fund balances	<u>5,448,595</u>	<u>(4,779,936)</u>	<u>(1,110,321)</u>	<u>(441,662)</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>46,264,565</u>	<u>37,562,246</u>	<u>16,346,814</u>	<u>100,173,625</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>2,615,221</u>	<u>2,615,221</u>
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>	<u>46,264,565</u>	<u>37,562,246</u>	<u>18,962,035</u>	<u>102,788,846</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 51,713,160</u>	<u>\$ 32,782,310</u>	<u>\$ 17,851,714</u>	<u>\$ 102,347,184</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2013**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ (441,662)

The City uses an internal service fund to charge the costs of the municipal garage, information services, risk management and employee health services to other departments of the City. The net income (loss) of the internal service fund is included in the governmental activities in the Statement of Activities, except for net income (loss) allocated to the business-type activities for services provided by the internal service funds to those activities. The net effect of this consolidation is to decrease net assets. (20,473,505)

Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. Issuance of long-term debt provides current financial resources to the governmental funds; however, it should be shown as an increase in long-term liabilities in the government-wide financial statements. The net effect of including the 2013 capital outlays, issuance of long-term debt, and debt principal payments is to increase net assets. 25,176,038

Capital outlay	\$ 20,736,329
Residual value of assets disposed of	(232,975)
Library books additions	494,006
Contributed row easements	2,414,818
Long-term debt principal payments	1,763,860
	<u>\$ 25,176,038</u>

Depreciation is not recognized as an expense in the governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets. (16,482,080)

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions and the net loss on services provided to the business-type activities by the internal service funds. The net effect of these reclassifications and recognitions is to increase (decrease) net assets. 3,822,465

Compensated absences	\$ (527,601)
Unearned revenue	336,209
Net loss of internal service funds allocated to business-type activities	4,804,566
Landfill closure and post-closure care	(118,708)
Accrued interest payable	(465,563)
Deferred amount for issuance premiums/costs	4,837
Change in net pension obligations	(211,275)
	<u>\$ 3,822,465</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ (8,398,744)

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 26,378,742	\$ 2,122,082	\$ 5,035,522	\$ 33,536,346	\$ 14,168,118
Investments, at fair values	40,279,863	-	6,570,924	46,850,787	22,303,245
Accounts receivable, net	5,969,328	294,567	301,188	6,565,083	690,743
Concession arrangement receivable	-	-	1,405,984	1,405,984	-
Accrued interest receivable	71,974	-	17,635	89,609	52,355
Other accrued revenue	4,489,465	-	263,066	4,752,531	-
Due from other funds	-	-	250,000	250,000	176,145
Due from other governments	-	-	-	-	-
Inventory of supplies	-	-	-	-	359,942
Prepaid expenses	933,853	-	-	933,853	498,072
<b>Total current assets</b>	<u>78,123,225</u>	<u>2,416,649</u>	<u>13,844,319</u>	<u>94,384,193</u>	<u>38,248,620</u>
<b>NONCURRENT ASSETS</b>					
Restricted cash and cash equivalents	23,672,965	1,747,129	250,354	25,670,448	1,029,883
Other noncurrent receivable	327,102	-	622,227	949,329	-
Capital assets					
Land	1,752,820	-	2,777,341	4,530,161	-
Contributed right of way easements	710,384	85,657	-	796,041	-
Underground water rights	56,700,214	-	-	56,700,214	-
Accumulated depletion water rights	(4,863,498)	-	-	(4,863,498)	-
Water supply contract	50,336,389	-	-	50,336,389	-
Accumulated amortization - water supply contract	(19,817,665)	-	-	(19,817,665)	-
Pipelines and plant	554,949,517	-	-	554,949,517	-
Accumulated depreciation - pipelines and plant	(162,185,069)	-	-	(162,185,069)	-
Runways, buildings and improvements	-	-	149,229,038	149,229,038	-
Accumulated depreciation - runways, buildings and improvements	-	-	(73,559,693)	(73,559,693)	-
Improvements	-	-	-	-	4,750,991
Accumulated depreciation improvements	-	-	-	-	(3,237,141)
Equipment and vehicles	4,266,937	-	4,724,502	8,991,439	61,426,608
Accumulated depreciation - equipment and vehicles	(3,263,184)	-	(3,520,451)	(6,783,635)	(40,325,280)
Construction in progress	34,064,799	4,567,013	2,369,440	41,001,252	1,396,312
<b>Total capital assets, net of accumulated depreciation</b>	<u>512,651,644</u>	<u>4,652,670</u>	<u>82,020,177</u>	<u>599,324,491</u>	<u>24,011,490</u>
<b>Total noncurrent assets</b>	<u>536,651,711</u>	<u>6,399,799</u>	<u>82,892,758</u>	<u>625,944,268</u>	<u>25,041,373</u>
<b>TOTAL ASSETS</b>	<u>\$ 614,774,936</u>	<u>\$ 8,816,448</u>	<u>\$ 96,737,077</u>	<u>\$ 720,328,461</u>	<u>\$ 63,289,993</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION, CONTINUED  
 SEPTEMBER 30, 2013**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Vouchers payable	\$ 683,404	\$ 31,653	\$ 227,084	\$ 942,141	\$ 358,879
Accounts payable	448,080	-	79,022	527,102	(11,571)
Accrued expenses	2,142,244	29,359	373,912	2,545,515	183,227
Deposits	36,899	-	99,433	136,332	-
Consumer security deposits	3,361,020	-	-	3,361,020	-
Share of Water Authority debt - current	5,095,527	-	-	5,095,527	-
Due to other funds - unrestricted	-	-	-	-	425,071
Estimated liability for incurred losses	-	-	-	-	6,497,728
Bonded debt current maturity	7,490,000	415,000	1,380,000	9,285,000	460,000
Current portion of compensated absences	228,074	2,481	27,587	258,142	65,998
<b>Total current liabilities</b>	<u>19,485,248</u>	<u>478,493</u>	<u>2,187,038</u>	<u>22,150,779</u>	<u>7,979,332</u>
<b>NONCURRENT LIABILITIES</b>					
Bonded debt, net of current portion	128,779,108	5,404,993	10,490,892	144,674,993	1,898,459
Water Authority debt, net of current portion	88,758,210	-	-	88,758,210	-
Provision for compensated absences, net	1,148,127	47,546	168,649	1,364,322	675,363
Other accrued expenses	2,979,023	-	-	2,979,023	-
Estimated liabilities for incurred loss, net	-	-	-	-	11,114,006
Postemployment benefits	-	-	-	-	92,442,087
Net pension obligation	551,739	(3,521)	106,777	654,995	242,488
<b>Total noncurrent liabilities</b>	<u>222,216,207</u>	<u>5,449,018</u>	<u>10,766,318</u>	<u>238,431,543</u>	<u>106,372,403</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 241,701,455</u>	<u>\$ 5,927,511</u>	<u>\$ 12,953,356</u>	<u>\$ 260,582,322</u>	<u>\$ 114,351,735</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred service concession arrangement receipts	\$ -	\$ -	\$ 2,028,211	\$ 2,028,211	\$ -
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,028,211</u>	<u>\$ 2,028,211</u>	<u>\$ -</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 300,642,476	\$ 510,447	\$ 70,149,285	\$ 371,302,208	\$ 22,619,973
Restricted for debt service	5,559,288	69,359	250,354	5,879,001	62,941
Unrestricted	66,871,717	2,309,131	11,355,871	80,536,719	(73,744,656)
<b>TOTAL NET POSITION</b>	<u>\$ 373,073,481</u>	<u>\$ 2,888,937</u>	<u>\$ 81,755,510</u>	457,717,928	<u>\$ (51,061,742)</u>
Amounts due governmental activities for allocable share of net expenses of certain internal service funds				<u>(23,342,535)</u>	
<b>TOTAL NET POSITION OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET POSITION</b>				<u>\$ 434,375,393</u>	

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>OPERATING REVENUES</b>					
Airfield fees and commissions	\$ -	\$ -	\$ 529,086	\$ 529,086	\$ -
Charges for services	-	-	-	-	1,287,291
Employees' benefit plan contributions	-	-	-	-	5,073,090
Internal charges	-	-	-	-	33,244,016
Miscellaneous revenues	-	-	-	-	1,677
Other building and ground rentals	-	-	1,525,387	1,525,387	-
Rents and miscellaneous	274,812	-	-	274,812	-
Tap fees and frontage charges	239,714	-	-	239,714	-
Terminal building area rental	-	-	5,483,188	5,483,188	-
Utility sales and service	70,294,693	-	-	70,294,693	-
Drainage utility assessments	-	4,990,113	-	4,990,113	-
Total operating revenues	<u>70,809,219</u>	<u>4,990,113</u>	<u>7,537,661</u>	<u>83,336,993</u>	<u>39,606,074</u>
<b>OPERATING EXPENSES</b>					
Salaries, wages and fringe benefits	11,646,845	553,212	2,443,831	14,643,888	5,262,123
Supplies	1,408,294	102,203	153,073	1,663,570	2,548,144
Fuel and oil	-	-	-	-	3,843,839
Fuel and power	4,398,162	-	571,846	4,970,008	-
Contractual services	4,329,654	645,280	516,050	5,490,984	1,507,962
Water Authority charges	4,851,074	-	-	4,851,074	-
Other charges	8,501,207	425,868	2,130,633	11,057,708	2,708,729
Claim and loss adjustments	-	-	-	-	23,158,626
Postemployment expense	-	-	-	-	17,873,257
Depreciation	13,378,612	-	4,591,175	17,969,787	5,142,799
Total operating expenses	<u>48,513,848</u>	<u>1,726,563</u>	<u>10,406,608</u>	<u>60,647,019</u>	<u>62,045,479</u>
Operating income (loss)	<u>22,295,371</u>	<u>3,263,550</u>	<u>(2,868,947)</u>	<u>22,689,974</u>	<u>(22,439,405)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (loss) in disposal of property	57,883	-	3,962	61,845	432,970
Interfund reimbursement	651,429	83,481	-	734,910	-
Passenger facility charge	-	-	1,470,190	1,470,190	-
Insurance recovery/cost	-	-	697,782	697,782	-
Interest earnings	209,901	341	33,533	243,775	148,143
Change in value of investments	-	-	(5,702)	(5,702)	(29,101)
Other miscellaneous revenues	-	-	107,469	107,469	37,135
Interest expense and fiscal charges	(6,881,192)	(18,699)	(161,189)	(7,061,080)	(52,885)
Total nonoperating revenues (expenses)	<u>(5,961,979)</u>	<u>65,123</u>	<u>2,146,045</u>	<u>(3,750,811)</u>	<u>536,262</u>
Income (loss) before contributions and transfers	16,333,392	3,328,673	(722,902)	18,939,163	(21,903,143)

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION, CONTINUED  
 YEAR ENDED SEPTEMBER 30, 2013**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>NONOPERATING REVENUES (EXPENSES), CONTINUED</b>					
Capital contributions	\$ 369,472	\$ 85,657	\$ 2,290,337	\$ 2,745,466	\$ -
Transfers from other funds	-	-	12,026	12,026	1,429,827
Transfers to other funds	<u>(172,512)</u>	<u>(478,805)</u>	<u>(33,064)</u>	<u>(684,381)</u>	<u>(189)</u>
Change in net position	16,530,352	2,935,525	1,546,397	21,012,274	(20,473,505)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>356,543,129</u>	<u>(46,588)</u>	<u>80,209,113</u>	<u>436,705,654</u>	<u>(30,588,237)</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 373,073,481</u>	<u>\$ 2,888,937</u>	<u>\$ 81,755,510</u>	457,717,928	<u>\$ (51,061,742)</u>
Allocation of net expenses of certain internal service funds to business-type activities				<u>(23,342,535)</u>	
<b>NET POSITION OF BUSINESS-TYPE ACTIVITIES IN STATEMENT OF NET POSITION</b>				<u>\$ 434,375,393</u>	
<b>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Net Position of Proprietary Funds to the Statement of Activities</b>					
Total Net Change in Fund Balances - Proprietary Funds				\$ 21,012,274	
Internal service fund allocation for proprietary funds				<u>(4,804,566)</u>	
Change in net position for Primary government business-type activities				<u>\$ 16,207,708</u>	

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2013**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Drainage Utility</b>	<b>Airport</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from third parties	\$ 69,741,019	\$ 4,695,546	\$ 7,525,891	\$ 81,962,456	\$ -
Cash received from City departments	-	-	-	-	39,658,194
Cash payments to suppliers for goods and services	(25,787,153)	(1,142,154)	(3,569,297)	(30,498,604)	(11,873,635)
Cash payments to employees	(11,822,386)	(503,645)	(2,493,904)	(14,819,935)	(5,257,876)
Cash payments for claims and loss adjustments	-	-	-	-	(21,246,494)
Net cash provided (used) by operating activities	<u>32,131,480</u>	<u>3,049,747</u>	<u>1,462,690</u>	<u>36,643,917</u>	<u>1,280,189</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers (to) from other funds	(172,512)	(478,805)	12,026	(639,291)	1,429,638
Amounts borrowed from or repaid by other funds	651,429	(52,519)	-	598,910	261,883
Amounts repaid or loaned to other funds	-	-	(250,000)	(250,000)	(13,460)
Cash payments received for passenger facility charge	-	-	1,470,190	1,470,190	-
Other	-	-	(33,064)	(33,064)	-
Net cash provided (used) by noncapital financing activities	<u>478,917</u>	<u>(531,324)</u>	<u>1,199,152</u>	<u>1,146,745</u>	<u>1,678,061</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(6,869,901)	(4,490,164)	(3,327,343)	(14,687,408)	(9,550,584)
Capital grants received	369,472	-	3,639,682	4,009,154	(460,000)
Proceeds from issuance of bonds	2,370,000	6,260,000	-	8,630,000	2,786,375
Bond issuance cost	(23,190)	-	-	(23,190)	-
Principal paid on bond maturities	(7,290,000)	(440,000)	(1,330,000)	(9,060,000)	(20,802)
Principal paid on proportionate share of Water Authority debt	(5,095,526)	-	-	(5,095,526)	-
Noncurrent receivable	16,848	-	-	16,848	-
Interest expense	(7,511,204)	(65,556)	(537,576)	(8,114,336)	-
Capital contributions	-	85,657	-	85,657	-
Proceeds from insurance	-	-	697,782	697,782	37,135
Proceeds from sale of capital assets	57,883	-	112,993	170,876	503,679
Net cash provided (used) by capital and related financing activities	<u>(23,975,618)</u>	<u>1,349,937</u>	<u>(744,462)</u>	<u>(23,370,143)</u>	<u>(6,704,197)</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS, CONTINUED  
 YEAR ENDED SEPTEMBER 30, 2013**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Drainage Utility</u>	<u>Airport</u>	<u>Total</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investment securities	\$ 27,975,000	\$ -	\$ 6,100,000	\$ 34,075,000	\$ 17,385,000
Purchase of investment securities	(33,325,730)	-	(5,936,008)	(39,261,738)	(13,398,674)
Interest and gains on investments	379,487	341	45,001	424,829	265,070
Net cash provided (used) by investing activities	<u>(4,971,243)</u>	<u>341</u>	<u>208,993</u>	<u>(4,761,909)</u>	<u>4,251,396</u>
Net increase (decrease) in cash and cash equivalents	3,663,536	3,868,701	2,126,373	9,658,610	505,449
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>46,388,171</u>	<u>510</u>	<u>3,159,503</u>	<u>49,548,184</u>	<u>14,692,552</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 50,051,707</u>	<u>\$ 3,869,211</u>	<u>\$ 5,285,876</u>	<u>\$ 59,206,794</u>	<u>\$ 15,198,001</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 22,295,371	\$ 3,263,550	\$ (2,868,947)	\$ 22,689,974	\$ (22,439,405)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	13,378,612	-	4,591,175	17,969,787	5,142,799
(Increase) decrease in accounts receivable	(367,136)	(294,574)	(8,140)	(669,850)	52,120
(Increase) decrease in other accrued revenue	(701,064)	-	(3,630)	(704,694)	-
(Increase) decrease in prepaid expenses	29,682	-	-	29,682	(156,977)
(Increase) decrease in inventories	-	-	-	-	24,867
Increase (decrease) in vouchers payable	(1,070,590)	31,204	(56,619)	(1,096,005)	(381)
Increase (decrease) in accounts payable	(1,182,553)	-	(118,474)	(1,301,027)	(1,132,470)
Increase (decrease) in accrued operating expenses	(197,092)	3,069	(46,801)	(240,824)	18,368
Increase (decrease) in customer deposits	220,526	-	11,647	232,173	-
Increase (decrease) in provision for compensated absences	(60,633)	50,027	(19,702)	(30,308)	24,226
Increase (decrease) in net pension obligation	(83,470)	(3,529)	(17,819)	(104,818)	(38,347)
Increase (decrease) in IBNR accrual	-	-	-	-	1,184,484
Increase (decrease) in other accrued liabilities	(130,173)	-	-	(130,173)	-
Increase (decrease) in estimated claims liabilities	-	-	-	-	18,600,905
Net cash provided (used) by operating activities	<u>\$ 32,131,480</u>	<u>\$ 3,049,747</u>	<u>\$ 1,462,690</u>	<u>\$ 36,643,917</u>	<u>\$ 1,280,189</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Amortization of bond issuance costs	\$ 72,482	\$ -	\$ -	\$ 72,482	\$ -
Decreases (increases) in fair values of investments	23,197	-	(5,702)	17,495	(29,101)
Interest expense capitalized	766,916	59,571	288,490	1,114,977	-
Capital contribution	369,472	83,481	-	452,953	-

The accompanying notes are an integral part of the basic financial statements.



**CITY OF AMARILLO, TEXAS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2013**

	<b>Private- Purpose Trust Funds</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 30,743	\$ 718,537
<b>TOTAL ASSETS</b>	\$ 30,743	\$ 718,537
<b>LIABILITIES</b>		
Due to agencies	\$ -	\$ 718,537
<b>TOTAL LIABILITIES</b>	\$ -	\$ 718,537
<b>NET POSITION</b>		
Held for other governments, individuals, entities	\$ 30,743	\$ -
<b>TOTAL NET POSITION</b>	\$ 30,743	\$ -

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2013**

	<b>Private- Purpose Trust Funds</b>
<b>ADDITIONS</b>	
Investment earnings	\$ 10
Total additions	10
<b>DEDUCTIONS</b>	
Supplies	-
Total deductions	-
Change in net position	10
<b>NET POSITION, BEGINNING OF YEAR</b>	63,184
<b>PRIOR PERIOD ADJUSTMENT (NOTE 2)</b>	(32,451)
<b>NET POSITION, BEGINNING OF YEAR, RESTATED</b>	30,733
<b>NET POSITION, END OF YEAR</b>	\$ 30,743

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF NET POSITION - COMPONENT UNITS**  
**SEPTEMBER 30, 2013**

	<u>Amarillo Hospital District</u>	<u>Amarillo Economic Development Corporation</u>	<u>Amarillo- Potter Events Venue District</u>	<u>Amarillo Housing Finance Corporation</u>	<u>Amarillo Health Facilities Corporation</u>	<u>Tax Increment Reinvestment Zone #1</u>	<u>Amarillo Local Government Corporation</u>	<u>Total</u>
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	\$ 4,261,935	\$ 12,767,750	\$ 1,215,276	\$ 127,525	\$ 2,491	\$ -	\$ 71,694	\$ 18,446,671
Investments	187,074,214	8,250,000	750,000	-	30,052	-	-	196,104,266
Receivables, net	-	7,671,788	213,697	-	-	-	-	7,885,485
Inventories and prepaid expenses	5,407,931	-	-	-	-	-	-	5,407,931
Other current assets	1,045,468	32,927	-	-	-	-	-	1,078,395
Total current assets	<u>197,789,548</u>	<u>28,722,465</u>	<u>2,178,973</u>	<u>127,525</u>	<u>32,543</u>	<u>-</u>	<u>71,694</u>	<u>228,922,748</u>
<b>NONCURRENT ASSETS</b>								
Restricted cash and cash equivalents	30,552	4,197,160	778,967	-	-	-	-	5,006,679
Receivables, net	-	88,004,778	-	-	-	-	-	88,004,778
Unamortized bond issuance costs	-	-	88,588	-	-	-	-	88,588
Other noncurrent assets	18,364,025	-	-	-	-	-	-	18,364,025
Land and building held for future incentives	-	9,589,394	-	-	-	-	-	9,589,394
Capital assets:								
Buildings and improvements, net of depreciation	78,923	11,924,430	12,098,870	-	-	-	-	24,102,223
Equipment and vehicles, net of depreciation	-	74,857	40,525	-	-	-	-	115,382
Construction in process	-	4,464,156	-	-	-	-	-	4,464,156
Total noncurrent assets	<u>18,473,500</u>	<u>118,254,775</u>	<u>13,006,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,735,225</u>
<b>TOTAL ASSETS</b>	<u>\$ 216,263,048</u>	<u>\$ 146,977,240</u>	<u>\$ 15,185,923</u>	<u>\$ 127,525</u>	<u>\$ 32,543</u>	<u>\$ -</u>	<u>\$ 71,694</u>	<u>\$ 378,657,973</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF NET POSITION - COMPONENT UNITS**  
**SEPTEMBER 30, 2013**

	Amarillo Hospital District	Amarillo Economic Development Corporation	Amarillo- Potter Events Venue District	Amarillo Housing Finance Corporation	Amarillo Health Facilities Corporation	Tax Increment Reinvestment Zone #1	Amarillo Local Government Corporation	Total
<b>LIABILITIES AND NET POSITION</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 204,071	\$ 862,232	\$ 198,566	\$ -	\$ -	\$ -	\$ 20,102	\$ 1,284,971
Current portion of long-term obligations	-	4,045,000	485,000	-	-	-	-	4,530,000
Estimated liability for incurred losses - current portion	60,000	-	-	-	-	-	-	60,000
Total current liabilities	<u>264,071</u>	<u>4,907,232</u>	<u>683,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,102</u>	<u>5,874,971</u>
<b>NONCURRENT LIABILITIES</b>								
Liabilities payable from restricted assets - accrued interest	-	519,912	-	-	-	-	-	519,912
Noncurrent portion of long-term obligations	-	63,684,798	11,617,056	-	-	-	-	75,301,854
Estimated liabilities								
Compensated absences	-	208,298	-	-	-	-	-	208,298
Self-insured losses, net of current portion	164,128	-	-	-	-	-	-	164,128
Total noncurrent liabilities	<u>164,128</u>	<u>64,413,008</u>	<u>11,617,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,194,192</u>
<b>TOTAL LIABILITIES</b>	<u>428,199</u>	<u>69,320,240</u>	<u>12,300,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,102</u>	<u>82,069,163</u>
<b>NET POSITION</b>								
Net investment in capital assets	78,923	21,684,476	37,339	-	-	-	-	21,800,738
Restricted for:								
Debt service	-	318,637	778,967	-	-	-	-	1,097,604
Other purposes	30,552	3,511,920	-	-	-	-	-	3,542,472
Unrestricted	215,725,374	52,141,967	2,068,995	127,525	32,543	-	51,592	270,147,996
<b>TOTAL NET POSITION</b>	<u>215,834,849</u>	<u>77,657,000</u>	<u>2,885,301</u>	<u>127,525</u>	<u>32,543</u>	<u>-</u>	<u>51,592</u>	<u>296,588,810</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 216,263,048</u>	<u>\$ 146,977,240</u>	<u>\$ 15,185,923</u>	<u>\$ 127,525</u>	<u>\$ 32,543</u>	<u>\$ -</u>	<u>\$ 71,694</u>	<u>\$ 378,657,973</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - COMPONENT UNITS**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Amarillo Hospital District	Amarillo Economic Development Corporation	Amarillo- Potter Events Venue District	Amarillo Housing Finance Corporation	Amarillo Health Facilities Corporation	Tax Increment Reinvestment Zone #1	Amarillo Local Government Corporation	Total
<b>REVENUES</b>								
Property taxes, levied for general purposes	\$ 5,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,410
Sales taxes	-	17,375,339	-	-	-	-	-	17,375,339
Gross receipts business taxes	-	-	2,589,164	-	-	-	-	2,589,164
Grant revenues	-	329,046	-	-	-	-	-	329,046
Revenue from participating taxing entities	-	-	-	-	-	-	71,400	71,400
Intergovernmental revenues - operating	208,998	-	-	-	-	-	-	208,998
Charges for services	-	6,260,447	-	-	-	-	-	6,260,447
Gain (loss) on disposal of property	-	(48,471)	-	-	-	-	-	(48,471)
Investment earnings (loss)	(6,041,963)	45,153	4,475	10	92	-	-	(5,992,233)
Miscellaneous	33,063	10,695	82,982	299	-	-	-	127,039
Total revenues	(5,794,492)	23,972,209	2,676,621	309	92	-	71,400	20,926,139
<b>EXPENSES</b>								
Functions:								
Public health	8,739,162	-	-	-	-	-	-	8,739,162
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Economic development - industrial	-	19,771,197	-	-	-	-	16,353	19,787,550
Economic development - tourism	-	-	3,268,540	-	-	-	-	3,268,540
General government	-	-	-	-	-	-	-	-
Debt service:								
Interest and fiscal charges	-	4,363,566	-	-	-	-	-	4,363,566
Total expenses	8,739,162	24,134,763	3,268,540	-	-	-	16,353	36,158,818
Excess (deficiency) of revenues over expenses	(14,533,654)	(162,554)	(591,919)	309	92	-	55,047	(15,232,679)
<b>NET POSITION, BEGINNING OF YEAR</b>	230,368,503	77,819,554	3,477,220	127,216	-	2,615,221	(3,455)	314,404,259
<b>PRIOR PERIOD ADJUSTMENT (NOTE 2)</b>	-	-	-	-	32,451	(2,615,221)	-	(2,582,770)
<b>NET POSITION, BEGINNING OF YEAR, RESTATED</b>	230,368,503	77,819,554	3,477,220	127,216	32,451	-	(3,455)	311,821,489
<b>NET POSITION, END OF YEAR</b>	\$ 215,834,849	\$ 77,657,000	\$ 2,885,301	\$ 127,525	\$ 32,543	\$ -	\$ 51,592	\$ 296,588,810

The accompanying notes are an integral part of the basic financial statements.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Definition and Scope of Reporting Entity**

The City of Amarillo (the City) was chartered in 1913, as authorized by a statute enacted by the Texas Legislature that year, as the first city in Texas and fifth city in the United States to adopt the commission form of government. The principal services accounted for as general governmental functions include public safety and health, streets, solid waste, culture and recreation, planning and zoning, a transit system and general administrative service. In addition, the City maintains the water and sewer system, drainage utilities, and the airport, the operations of which are accounted for as enterprise funds.

The Governmental Accounting Standards Board (GASB) established standards for defining the financial reporting entity. Under such standards, the following entities have been determined to be component units of the City for financial reporting purposes because of their operational or financial benefit or burden relationships with the City. Based on these standards, the City has the following component units:

***Discretely Presented Component Units***

***Amarillo Hospital District***

The Amarillo Hospital District (the District), the first city hospital district in Texas, was established on March 24, 1959, by an amendment to the Constitution of the State of Texas. Its area is co-extensive with the incorporated limits of the City of Amarillo. The facilities built by the District constitute a regional center, serving the populace of an area that extends far beyond the boundaries of the City and county, across the entire Panhandle of the State of Texas and even surrounding states. Because of economic changes in the healthcare industry, in May 1996 the physical plant of the District was sold to a for-profit hospital entity, Northwest Texas Healthcare System, which, as one of the conditions of the sale, assumed responsibility for medical care of indigent citizens of the District to 2021 in exchange for inflation-adjusted, annual payments in the range of (in 1996 dollars) \$6 million to \$8 million. The inflation adjustment ceased in 2006 and the payment is fixed for the balance of the contract, which will be an additional 10 years unless the provider opts to extend the contract an additional 15 years. The quarterly payment to the provider is currently fixed at \$1,735,385 per quarter or \$6,941,540 annually. Certain public health services, which had been provided by the District, were assumed by the City. The District has no employees, but continues to exist as a governmental entity. Effective October 1, 1996, the City assumed responsibility for serving the District as its fiscal agent for purposes of maintaining its financial records. However, since the sale of the hospital, the District has not had to levy an ad valorem tax. The earnings from the sales proceeds together with the funds on hand at the time of the sale have been sufficient to fund indigent care payments and other expenses of the District.

The District currently collaborates with Northwest Texas Healthcare System to ensure both parties best allocate their resources for the provision of care to the low income and needy residents in their community. As part of this collaboration, Northwest has proposed that the District fund payments to Northwest under the Medicaid program ("Medicaid"). Accordingly, the District suspended the "Indigent Care Agreement," which was part of the sales agreement and replaced it with an almost identical agreement called the "Health Care Services Agreement." With the suspension of the "Indigent Care Agreement," the District was no longer obligated to make indigent care payments. However, the District funded Northwest Texas Hospital's Medicaid program. After year-end, the "Indigent Care Agreement" was amended to extend the suspension through November 8, 2016, with a payment of \$1,360,000 to Medicaid funding. The District has provided \$57.1 million in funding to the Medicaid program versus \$69.4 million in indigent care payments that would have been due under the contract.

The District is considered to be a part of the City's financial reporting entity because its Board of Managers is appointed by the City Council and, additionally, the City Council has final authority over any tax levy and the total amount of the annual budget. The Boards are not substantially the same, nor does the District provide services to the City.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Definition and Scope of Reporting Entity (Continued)**

*Amarillo Economic Development Corporation*

The Amarillo Economic Development Corporation (AEDC) is a nonprofit corporation that was formed in 1990 for the purpose of increasing employment opportunities, primarily through assisting qualifying enterprises with funds provided by a portion of the local sales tax. Assistance may be in the form of incentive grants, loans, or leases which call for either discounted rates or rebates based on job development and or local spending. The City serves as fiscal agent for AEDC's funds as well as its accounting records. AEDC is considered to be a part of the City's financial reporting entity, because the City Council appoints its Board of Directors and approves its budgets. The Boards are not substantially the same, nor does AEDC provide services to the City.

*Amarillo-Potter Events Venue District*

The Amarillo-Potter Events Venue District (Venue District) was established in January 1998, upon the approval of the voters of the City of Amarillo and Potter County to create a vehicle for financing a livestock arena and expansion of the Civic Center. In December 1998, the District issued \$10 million in bonds to finance the first phase of this construction, consisting of the livestock arena, and in December 2000 the final \$6.75 million of bonds were issued to fund the Civic Center expansion. In November 2005, the District refunded the 2000 bond issue. The 1998 Bonds were refunded in 2009. Debt service is provided by a 2% hotel occupancy tax and a 5% short-term motor vehicle rental tax, which became effective April 1, 1998. Should such tax revenues be insufficient, a rental payment from the City for use of the expanded Civic Center facilities is required. The City's rental obligation is the greater of any \$10 per month or any shortfall in the debt service fund due to insufficient Venue District tax receipts.

The Venue District is considered to be a part of the City's financial reporting entity, because the City's mayor appoints four of the seven members of the Venue District's Board of Directors. However, the Boards are not substantially the same.

*Amarillo Housing Finance Corporation*

Amarillo Housing Finance Corporation (AHFC) was established to provide funding for home purchases by low- to moderate-income persons and families. Under the current program, mortgage loans are restricted to first-time homebuyers in targeted areas of the City. Beginning in April 1996, it has issued single-family mortgage revenue bonds in the principal amounts of \$15,700,000, and \$10,000,000 in 2003. The bonds are purchased by Freddie Mac, loans are made by local lending institutions, and the funding of the mortgages with the bond proceeds is handled by the trust department of a financial institution. The City serves as fiscal agent for AHFC. AHFC is considered to be a part of the City's financial reporting entity, because the City Council appoints its Board of Directors and has discretion over their terms of office as well as the programs and activities of the Corporation. The Boards are not substantially the same, nor does AHFC provide services to the City.

*Amarillo Local Government Corporation*

Amarillo Local Government Corporation (ALGC) is a nonprofit corporation that was formed March 2011 for the purpose of aiding and assisting the City to promote the development of the geographical area of the City. ALGC is considered to be a part of the City's financial reporting entity, because the City Council appoints its Board of Directors and approves its budgets. The Boards are not substantially the same.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Definition and Scope of Reporting Entity (Continued)**

*Amarillo Health Facilities Corporation*

The Amarillo Health Facility Corporation (the Corporation) was established to assist the public health function. This Corporation can provide for the acquisition, improvement, renovation, furnishing or equipment of a project that is determined by the Board of Directors to be required, necessary or convenient for health care, research, and education within the State of Texas to assist the maintenance of public health. Assistance may be in the form of the issuance of bonds and loaning money to these providers of health care services. The City serves as fiscal agent for the Corporation funds as well as its accounting records. The City Council and the Corporation's Board are not substantially the same, nor does the Corporation provide services to the City.

While the above-named entities are considered part of the City's overall reporting entity, they are discretely presented in a separate column of the City's combined financial statements to emphasize that they are legally separate from the City.

***Blended Component Unit***

*Tax Increment Reinvestment Zone #1*

The Tax Increment Reinvestment Zone Number One (TIRZ #1) was created in FY 2007 pursuant to the Texas Tax Increment Financing Act, Tax Code, Chapter 311. The purpose of the zone is to promote the development of or redevelopment of certain contiguous geographic areas in the City. The operations of TIRZ #1 are included in the governmental activities of the government-wide financial statements as a separate special revenue fund. See Note 2 for additional information on the implementation of GASB 61 and the related restatement of beginning net position.

The component unit separately issued financial statements may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds on the basis of accounting applicable to funds-based financial statements. A separate financial statement is also provided for fiduciary funds, which with respect to the City comprise only cash and investments which are handled by the City in the capacity of an agent. These assets are excluded from the Statement of Net Position because they do not represent resources of the City.



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on the balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including employee termination payments made by the Compensated Absences Fund, are recorded only when payments are due.

Sales taxes are considered "measurable" when in the hands of the State Comptroller and are recognized as revenue at that time. Other major revenues that are determined to be susceptible to accrual include property taxes, utility franchise taxes, interest, rentals, charges for services and intercity charges. Waste collection fees are recorded as revenue when billed, which is on a cycle billing basis. Intergovernmental grants or revenues based on the "reimbursements of expenditures" concept are recorded as revenues when the related expenditures are made. Other intergovernmental revenues are reflected as revenues at the time of receipt or earlier if the availability criterion is met.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The *Capital Projects Fund* is a combination of all capital outlay funds, which accounts for construction projects that are financed primarily by general revenues, as well as accounts for the resources set aside to fund the City's capital plans with respect to projects including streets.

All proprietary funds are accounted for on a cost of services or "flow of economic resources" measurement focus. This means that all assets and all liabilities (including capital assets and long-term debt) associated with their activities are included on their balance sheets. Costs of providing goods and services during the period include depreciation on capital assets. All proprietary funds follow generally accepted accounting principles prescribed by GASB.

Consequently, their affairs are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the provision of water and sewer services to residents and commercial enterprises of the City and proximate area.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The *Drainage Utility Fund* provides for a dedicated funding source for the operations and maintenance of the existing storm-water system.

The *Airport Fund* accounts for the operation of the City's international airport, which provides runway and passenger services as well as leases former U. S. Air Force facilities to commercial tenants.

Additionally, the City reports the following fund types:

Four *internal service funds* account for municipal garage, information services, risk management, and employee health services provided to the other departments of the City on a cost-reimbursement basis.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

The private purpose trust funds account for activities that are not City programs, but are programs sponsored by individuals, private organizations or other governments. Although the City serves as fiscal agent, the funds received and held under the Centennial Parkway fund, the Indigent Dog Bite Victim fund and the Amarillo Industrial Development Corporation are not available to support the City activities and programs, but are received and held for individuals, private organizations or other governments.

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. The Civic Center Operations fund is used to account for assets that the City holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administrative service charges and payments in lieu of taxes between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the *Water and Sewer Fund*, the *Drainage Utility Fund* and the *Airport Fund* are charges to customers for sales and services, including tap fees intended to recover the cost of connecting new customers to the water and sewer system. The principal operating revenues of the *internal service funds* are charges to other funds for services and allocations of self-insurance costs. Operating expenses for these funds

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

include the direct costs of personnel, supplies, and similar items needed to render the sales and services, including depreciation on capital assets, as well as administrative expenses. All revenues and expenses not meeting this definition, such as investment earnings and passenger facility charges, are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Estimates Inherent in Financial Statements**

Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimated liabilities related to self-insurance costs and other postemployment benefit costs are material estimates that are particularly susceptible to significant changes in the near term.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity**

*Deposits and Investments*

With the exception of certain restricted and special funds, the City pools the resources of the various funds in order to facilitate the management of cash. Records are maintained that reflect each fund's equity in the pooled account.

For financial reporting purposes a portion of the investment portfolio is classified as equivalent to cash. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less, which present an insignificant risk of changes in value because of changes in interest rates.

Debt securities held by the City's various operating and reserve funds are valued at fair value.

*Interfund Receivables and Payables*

Activities between funds generally represent payment of charges to various departments for services rendered by other departments, reimbursements for allocated shares of expenditures, transfers of the City's unrestricted resources to supplement the inter-governmental grants and similar restricted resources of special revenue funds, and transfers of resources set aside to fund the long-term capital plan. Outstanding balances of these activities are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

*Other Receivables*

Receivables of both governmental and proprietary funds are reported in the government-wide financial statements on the accrual basis of accounting.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)**

In the governmental fund financial statements, receivables are comprised of those amounts that are considered to be both measurable and available as defined under the modified accrual basis of accounting. As a city ordinance prohibits the appropriation of property taxes until collected, the entire amount of such taxes considered measurable and available has been reserved. Taxes receivable other than property taxes are reflected as accounts receivable (gross receipts business taxes) or due from other governments (sales taxes collected and disbursed by the State). Solid waste disposal fees are recorded when billed on a cycle billing basis. Most intergovernmental grants provide for reimbursement of actual costs, and the related revenues are recognized in the fiscal period of the underlying expenditures. Because payments on paving notes and assessments are uncertain and often long deferred, they are reflected as revenues when collected.

Receivables of proprietary funds are recorded when earned. Unbilled water and sewer revenues are estimated and accrued at year-end.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Inventories, Prepaid and Unearned Revenue*

Inventories of supplies are reflected at cost, determined on an average-cost basis. Inventories of motor fuel and oil are maintained by the Municipal Garage (an *internal service fund*), while all other inventories of materials and supplies, including water and sewer pipeline and related stores and automotive parts, are maintained by the General Fund, being recorded under the "consumption method" as inventory acquisition (current assets) at the time the inventory items are purchased, and charged to the various funds and departments of the City on the basis of requisitions.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Such items include payments of the housing assistance program which must be disbursed before fiscal year-end in order to be received by the vendors on October 1, but are obligations of the fiscal year beginning on that date.

Unearned revenues reported in the governmental fund financial statements generally represent delinquent taxes in excess of amounts currently available and advance rentals collected by the City's auditorium-coliseum complex.

Provision is made in the Risk Management and Employee Insurance funds (*internal service funds*) for the estimated amounts of liabilities related to incurred claims, including provisions for future settlement payments of both known and unknown loss events.

*Restricted Assets*

Certain resources of the *Water and Sewer Fund*, the *Drainage Utility Fund* and the *Airport Fund* are set aside for the construction and purchase of capital assets as well as repayment of its revenue bonds under applicable bond covenants. Such resources and the related liabilities payable out of those resources are reported in the financial statements as noncurrent assets and liabilities.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)**

*Capital Assets*

Capital assets consist of property, plant, equipment, and infrastructure assets (streets, alleys, overpasses, curbs and gutters and drainage systems), as well as the cost of construction projects in process. Items having a value of more than \$2,500 are capitalized. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their lives are not capitalized.

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets of the proprietary funds are also reported in the applicable financial statements, but capital assets are not included in the governmental fund financial statements.

Capital assets are stated at historical cost or at estimated fair value at date received, if donated, net of applicable depreciation. Material interest costs incurred during capital construction performed by proprietary type funds are capitalized. Interest expense incurred by the governmental funds is not capitalized.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Depreciation of capital assets used in governmental fund activities is reported only in the government-wide financial statements.

Property, plant, equipment and infrastructure are depreciated or depleted over the estimated useful lives using the straight-line method. The estimated useful lives are generally within the following ranges:

Buildings and improvements	30-40 years	Sewer pipelines	75 years
Streets and related infrastructure	50 years	Runways and related improvements	10-30 years
Traffic signals	30 years	Motor buses	7 years
Landfill improvements	40 years	Automobiles, vans	3-7 years
Water supply contract	85 years	Data processing equipment	5 years
Water rights	20-100 years	Machinery and other equipment	7-30 years
Water pipelines	50 years	Office equipment	5-10 years
		Library books	15 years

*Intangible Assets*

Intangible assets consist of right-of-way easements. The right-of-way easements have an indefinite life and, accordingly, are not subject to amortization. Details relating to the City's intangible assets are provided at Note 6.

*Compensated Absence*

City employees are entitled to paid vacation and sick leave, based on length of service, which accumulate and partially vest. The City's vested obligations under this policy are accrued and are reflected as liabilities in the government-wide and proprietary fund financial statements.

Employees eligible for time-and-a-half overtime can accumulate paid time off in lieu of overtime pay. In addition to amounts for accumulated paid vacation and sick leave, comp time in lieu of overtime is also reflected as a liability in the government-wide and proprietary fund financial statements.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)**

*Long-Term Obligations*

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary fund financial statements. Bonds payable are reported net of related discounts and issuance costs, which are amortized over the terms of the related debts.

In the fund financial statements, governmental fund types report the proceeds of debt issuances, net of bond issuance costs and discounts, during the current period as other financing sources.

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At September 30, 2013, the City did not have any items of this type.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At September 30, 2013, the City had one item which qualifies for reporting in this category. It is the deferred service concession arrangement.

The City has approximately two years remaining on a 10-year service concession arrangement with a nongovernmental operator to operate the City's Airport parking facilities. The arrangement is reported in the City's business-type activities. The terms of the arrangement included installment payments from the operator. No provision in the agreement imposed an obligation on the City to sacrifice financial resources. At September 30, 2013, the present value of the installment payments, reported as an asset and as a deferred inflow of resources, was \$2,028,211. This balance of the deferred inflow of resources will be amortized over the remaining life of the agreement.

*Net Position*

In the government-wide financial statements, the difference between the City's total assets, deferred outflows of resources and liabilities and deferred inflows of resources represents net position. Net position displays the following three components:

*Net investment in capital assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

*Restricted net position* – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

*Unrestricted net position* – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position." It represents the amount available for future operations.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)**

*Fund Balances*

In the governmental funds financial statements, fund balances are classified as follows:

*Nonspendable fund balance* – Includes amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

*Restricted fund balance* – Includes amounts that are restricted to specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

*Committed fund balance* – Includes amounts that can only be used for specific purposes as pursuant to official action by the City Council prior to the end of the reporting period. Commitments are made and can be rescinded only via resolution by the City Council.

*Assigned fund balance* – Comprises amounts the City intends to use for a specific purpose but is neither restricted nor committed. The formal budget as approved by the City Council authorizes the City Manager to assign fund balance.

*Unassigned fund balance* - Represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

At September 30, 2013, the City had net position restricted for other purposes of \$6,673,794. Of this amount, \$632,247 was restricted for use by Housing and Urban Development grants, \$425,514 by Public Health grants, \$268,945 by Hazardous Materials Transportation Planning grants, \$36,121 by the Summer Lunch program, \$85,193 by Public Improvement Districts, \$384,727 for Seized Funds, \$139,300 for Court Technology, \$107,577 for Court Security, \$48,412 by the LEOSE Training Programs, \$36,460 for Homeland Security, \$19,673 for Cable Capital Facilities, \$177,245 by the Photo Enforcement Program, \$48,722 by the Public Library Bush Collection, \$74,078 by various Library Trusts, \$960,447 for Flood Hazard, \$330,359 for Civic Amarillo, \$41,333 by the Zoo Trust fund, \$20,437 for the Centennial Celebration, \$9,517 for Keep Amarillo Beautiful, \$2,809,818 by the TIRZ #1, and \$17,669 by the Pavillard Endowment.

When restricted and other fund balance resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

**New GASB Pronouncements**

The GASB has issued several new pronouncements that the City has reviewed for application to their accounting and reporting.

The GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement establishes guidance for accounting and financial reporting for service concession arrangements (SCAs). These arrangements are often referred to as public-private partnerships or public-public partnerships (PPPs). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City implemented GASB 60 for the year ended September 30, 2013. The implementation of GASB 60 did not have a material impact on beginning net position and, accordingly, was not restated.

The GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus; an Amendment of GASB Statements No. 14 and 34*. This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units (blending vs. discrete) presentation, and certain disclosure requirements. The

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New GASB Pronouncements (Continued)**

requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012. The City implemented GASB 61 for the year ended September 30, 2013. See Note 2 for related restatement of beginning fund balance and net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, is effective for periods beginning after December 15, 2011. This standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The City implemented GASB 63 for the year ended September 30, 2013. The components of net position were renamed to reflect the requirements of this statement.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

As provided by state law, the City follows these procedures in establishing the annual budgetary data reflected in the financial statements.

At least 30 days prior to the time when the City Council makes its tax levy for the commencing fiscal year beginning October 1, the City Manager, as budget officer, files a proposed operating budget, including proposed expenditures and the means of financing them. Such budget is available for the inspection of any taxpayer, and public hearings are conducted subsequent to the time of filing. Prior to October 1, the budget is legally enacted through passage of an ordinance. Under the City's budget ordinance, the City Council has authority to make such changes in the budget as it deems warranted. Additionally, the City Manager is authorized to transfer budgeted amounts among departments and among expenditure codes within any department or fund. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each fund is the fund's total expenditure budget. Accordingly, revisions that increase the total expenditures of a fund must be approved by the City Council. Except for the employment of encumbrance accounting, budgets are adopted consistent with generally accepted accounting principles. Unencumbered appropriations lapse at year-end.

The annual formal appropriated budget as described above is employed as a management-control device during the year for the General Fund, the debt service funds, and special revenue funds, and those grant funds which are necessarily budgeted on a contract-period basis differing from the City's fiscal year. Expenditures for the public improvement districts are being controlled by long-term service plans allocated in relation to available, property-owner assessments. The service plan is the approved budget for the individual Public Improvement District. The following funds with legally adopted budgets have a budgetary comparison presented: the General Fund, Debt Service Fund, Compensated Absence Fund and certain non-major special revenue funds. The non-major special revenue funds with legally adopted budgets are as follows: Court Technology, Court Security Fund, Public Health Fund, LEOSE Training Fund, Local Seized Property Fund and the Public Improvement Districts. Budgeted amounts reflected therein are as originally adopted or, if applicable, as last amended by the City Council.

Grant funds not included in the annual appropriated budget are subject to management control by means of project-length budgets authorized by the City Council in the grant application processes. Cumulative expenditures through September 30, 2013 were within the limits prescribed by such budgets.

Capital outlay is controlled through formal, job cost accounting, in which available monies are allotted among the planned construction and capital acquisition undertakings, and costs are accumulated subject to such allotments. Unencumbered appropriations do not lapse at year-end for Capital Projects Funds. The City adopts five-year, capital outlay plans to budget such projects.



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information (Continued)**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances, since they do not constitute expenditures or liabilities.

**Deficit Fund Equity**

The Colonies Public Improvement District (PID), reported as a non-major governmental fund, has a deficit fund balance of \$18,336. The Colonies has raised rates for fiscal year 2013/14 to address the increasing costs associated with maintaining the PID. The Redstone Public Improvement District (PID), reported as a non-major governmental fund, has a \$1,270 deficit fund balance. Redstone will begin collecting assessment in fiscal year 2013/14. Beginning with the fiscal year ending September 30, 2008, the City adjusted for postemployment health benefits as required by GASB Statement No. 45. This adjustment is \$14,682,580 for 2008, \$15,248,490 in 2009, \$13,463,957 in 2010, \$13,558,656 in 2011, \$17,615,147 in 2012, and \$17,873,257 in 2013, resulting in a deficit fund balance of \$86,338,775 in the Employee Insurance Fund.

**Restatement of Beginning Fund Balance and Net Position**

The City's beginning fund balance for Other Governmental Funds has been restated to include TIRZ #1 which was previously reported as a discretely presented component unit. For the year ended September 30, 2013, the City implemented GASB 61 which states that a component unit should be included in the reporting entity's financial statements using the blending method in any of these circumstances: (1) the component unit's governing board is substantially the same and there is a financial benefit or burden relationship existing between the primary government and the component unit, or (2) management of the primary government has operational responsibility for the component unit or (3) the component unit's total debt outstanding is expected to be repaid entirely with resources of the primary government. Therefore, TIRZ #1 has been blended with the City in the Other Governmental Funds. Fund balances at September 30, 2012, were \$16,346,814; an additional \$2,615,221 has been included related to TIRZ #1 to restate the fund balances at October 1, 2012 as \$18,962,035.

The beginning of the year net position for the primary government on the government-wide statement of activities has also been restated to include TIRZ #1 which is now blended with the primary government. Net position at September 30, 2012 for governmental activities was \$361,086,702; an additional \$2,615,221 has been included to restate net position at October 1, 2012 as \$363,701,923.

The City's beginning net position for discretely presented component units has been restated to exclude TIRZ #1 as mentioned above and to include the Amarillo Health Facilities Corporation, previously reported as a Fiduciary fund. This change is also due to the implementation of GASB 61. Net position at September 30, 2012 was \$314,404,259; an additional \$2,582,770 has been excluded to restate net position at October 1, 2012 as \$311,821,489.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

All of the City's demand deposit and time accounts are held in a local banking institution under terms of a written depository contract. All of the City's demand and time accounts are insured or registered or held by the City or its agent in the City's name.

Under the Revised Statutes of the State of Texas, all deposits, to the extent not insured by the Federal Deposit Insurance Corporation (FDIC), must be collateralized by securities or insured by a bond. At September 30, 2013, demand deposit and time deposits held by the depository institution, before

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

reduction for checks issued and not presented, were in the total amount of \$35,872,476. The accounts are collateralized by securities in the amount of \$46,006,623. The City has a secondary depository institution with demand deposits of \$1,433,539. These amounts are collateralized by securities in the amount of \$1,595,465.

Time certificates of deposit with original maturities of more than three months are classified as investments for financial reporting purposes.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the area of investment practices, management reports and establishment of appropriate policies. With the exception of the assets of the deferred compensation plan and pension assets, all investments are administered by City management under terms of an investment policy and strategy that is updated to conform to the Texas Public Funds Investment Act (the Act) as last amended. The preservation of capital is the City's most important investment objective. Other objectives include providing liquidity and maximizing earnings within the constraints of the other objectives. The City is in substantial compliance with the requirements of the Act and with local policies.

Under the City's policies, the maximum dollar weighted-average maturity of the investment portfolio may not exceed one year, and 80% of the portfolio must be in investments with maturities of two years or less. At September 30, 2013, the weighted-average maturity of the City's total investment securities was 0.80 years, excluding the securities lending investments.

The City will only invest in the following types of securities:

- Bank money market funds and other interest-bearing accounts at the City's authorized depository.
- Direct obligations of the United States government.
- Obligations of agencies and instrumentalities of the United States, limited to 75% of the portfolio.
- Highly rated investment pools and no-load money market mutual funds (AAA or AAAm).
- Taxable municipal bonds, limited to 10% of the portfolio.
- Certificates of deposit including CDARS (Certificate of Deposit Accounts Registry Service).
- For bond proceeds only, fully collateralized, flexible, repurchase agreements.

Investments are separately owned by the various funds. Under applicable bond ordinances, funds of the Waterworks and Sewer Revenue bond redemption and reserve accounts may be invested only in U.S. Government or agency obligations or in obligations guaranteed by the U.S. Government or by its agencies. Funds not so invested are to be maintained in the City's depository and secured as provided by law. The City's investment policy also sets forth specific, investment requirements and strategies for its various fund types. The City does not enter into reverse repurchase agreements. All securities are held by the City's agent in the City's name.

The City participates in a securities lending program as a means to augment investment income. Securities are lent to select brokerage firms for which collateral is received that exceeds the fair value of such investments during the period of the loan. Collateral may be cash or securities. Collateral securities cannot be pledged or sold by the City unless the borrower defaults. Securities loans immediately terminate upon notice by either the City or the borrower.

Loans of fixed income securities are initially collateralized at 102 percent of the fair value of the securities lent. All borrowers are required to provide additional collateral by the next business day if the value falls to less than 100 percent of the fair value of the securities lent.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The following represents the balances relating to the securities lending transactions at the financial statement date:

<u>Securities Lent</u>	<u>Fair Value of Underlying Securities</u>	<u>Collateral Received/Securities Collateral Value</u>	<u>Cash Collateral Investment Value</u>
Lent for cash collateral	\$ -	\$ -	\$ -
Lent for securities collateral - fixed income securities	<u>69,637,577</u>	<u>71,041,832</u>	<u>-</u>
	<u>\$ 69,637,577</u>	<u>\$ 71,041,832</u>	<u>\$ -</u>

Cash collateral received from the borrower is invested by the lending agent, as an agent for the City, in a money market mutual fund in the name of the City, with guidelines approved by the City.

At September 30, 2013, the City had no credit risk exposure to borrowers, because the amounts the City owed the borrowers exceeded the amounts the borrowers owed the City. The City is fully indemnified by its custodial bank against any losses incurred as a result of borrower default.

The lending agent provides indemnification if the borrowers fail to return the underlying securities (and if the collateral is inadequate to replace the securities lent) or fail to pay income distributions on them. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior-period losses during the year. There are no income distributions owing on the securities lent.

**Interest Rate Risk:** In accordance with the Investment Policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to less than twelve months and requiring that 80% of the portfolio must be in investments with maturities of two years or less. Also as stated in the Investment Policy the City will not borrow funds using investment securities as collateral, will not take a position in a security for speculation and the City uses a buy and hold strategy for most investments.

**Credit Risk:** The City invests in direct obligations of the United States and obligations of agencies and instrumentalities of the United States. The Policy also allows for the investment in taxable municipal securities rated not less than AA- (or equivalent). The City does not have any commercial paper or taxable municipal security investments at this time. The City does invest in a treasury only and a government agency no-load money market mutual fund that is continuously rated AAA or AAAM (or equivalent).

**Concentration of Credit Risk:** As stated in the Investment Policy the City will diversify investments when purchasing agency securities or commercial paper to avoid a concentration in one agency or company.

**Custodial Credit Risk – Deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has tri-party agreements with both depositories and a third-party financial institution (Federal Reserve Bank) that holds pledged collateral in a separate custody account for the benefit of the City. All City deposits are fully collateralized by these pledged securities.

**Custodial Credit Risk – Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City contracts with an outside financial

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

institution as custodian for all investment transactions and all investment transaction are made on a delivery versus payment method with the outside custodian. The securities are held in the City's name in a separate account. Access to this account is limited to the approved Investment Officers.

A summary of investment securities of the City at September 30, 2013 and the corresponding weighted average maturity is shown in Table 1 below:

	Fair Value			Weighted Average Maturity (Years)
	Unrestricted Assets	Restricted Assets	Total	
Investment Securities				
U.S. Treasury Obligations	\$ 7,156,900	\$ -	\$ 7,156,900	1.92
U.S. Government Sponsored Agencies	85,780,082	-	85,780,082	1.36
Municipal Bond securities	13,647,052	-	13,647,052	1.24
Total investment securities	106,584,034	-	106,584,034	1.38
No-load U.S. Treasury-only mutual funds	52,874,472	24,415,190	77,289,662	-
Total investments	159,458,506	24,415,190	183,873,696	0.80
Add: Time deposits with original maturities over three months	33,288,952	500,000	33,788,952	0.32
Total investments	192,747,458	24,915,190	217,662,648	0.73
Deduct: Cash equivalents	(52,874,472)	(24,415,190)	(77,289,662)	-
<b>Net investments for financial reporting</b>	<b>\$ 139,872,986</b>	<b>\$ 500,000</b>	<b>\$ 140,372,986</b>	<b>1.13</b>

*Table 1 – Investment Securities and Corresponding Weighted Average Maturity*

**NOTE 4 - TAXES**

Property taxes attach as an enforceable lien on property as of January 1, are levied on October 1 of the same year, and unpaid taxes become delinquent after the following January 31.

The City Charter provides for a maximum tax levy of \$1.80 per \$100 of assessed valuation, of which any in excess of \$1.30 is limited to debt service for waterworks bonds, and of which up to \$0.05 is pledged for Airport Maintenance to the extent Airport revenues may not be available.

The combined tax rate of the 2012 tax roll for the 2012/13 fiscal year was \$0.32009 per \$100 of assessed valuation, resulting in a tax levy in the amount of \$32,832,489 on taxable value of \$10,456,402,589.

Property taxes receivable at September 30, 2013 are reflected in Table 2 below:

<u>Year of Levy</u>	
2013	\$ 360,588
2012	172,524
2011	129,753
2010	108,069
2009	81,858
2008	58,542
2007	50,714
2006	45,771
2005	37,922
2004	39,648
2003	63,235
2002	30,113

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 4 - TAXES (CONTINUED)**

**Year of Levy**

2001	24,189
Prior	<u>51,593</u>
Total taxes receivable	1,254,519
Less: Allowance for estimated uncollectible portion	<u>890,005</u>
Net taxes receivable	364,514
Less: Provisions for collections deferred over 60 days	<u>257,294</u>
<b>Amount available (reserved in accordance with City ordinances)</b>	<b><u>\$ 107,220</u></b>

*Table 2 – Taxes Receivable at September 30, 2013*

Beginning July 1, 1996, Potter and Randall Counties assumed responsibility of tax collections for various taxing entities within their borders, including the City of Amarillo. The cost of this service is included in the General Fund. The Potter-Randall Appraisal District performs the appraisal function.

The total City sales tax rate is 2%, which includes a 1/2-cent sales tax collected by the AEDC limited to development purposes.

**NOTE 5 - RESTRICTED ASSETS, LIABILITIES AND RESERVES**

As required by bond indentures, Capital Projects, the Water Sewer System, Drainage Utility, Airport, and the Municipal Garage maintain separate accounts for revenue bond debt service/retirement which are reported as noncurrent assets and related liabilities, and restricted net position, as reflected in Table 3:

	<u>Restricted Assets</u>	<u>Related Liabilities</u>	<u>Restricted Net Position</u>
<b><u>Capital Projects</u></b>			
Bond proceed account	\$ 609,964	\$ 609,964	\$ –
<b>Total bond debt service/retirement</b>	<b><u>\$ 609,964</u></b>	<b><u>\$ 609,964</u></b>	<b><u>\$ –</u></b>
<b><u>Water Sewer System</u></b>			
Bond escrow and proceed accounts	\$ 18,113,677	\$ 18,113,677	\$ –
Revenue bond interest and redemption	3,517,697	–	3,517,697
Revenue bond reserve	<u>2,041,591</u>	<u>–</u>	<u>2,041,591</u>
<b>Total bond debt service/retirement</b>	<b><u>\$ 23,672,965</u></b>	<b><u>\$ 18,113,677</u></b>	<b><u>\$ 5,559,288</u></b>
<b><u>Airport</u></b>			
PFC funds	\$ 250,354	\$ –	\$ 250,354
<b>Total bond debt service/retirement</b>	<b><u>\$ 250,354</u></b>	<b><u>\$ –</u></b>	<b><u>\$ 250,354</u></b>
<b><u>Drainage Utility</u></b>			
Bond proceed account	\$ 1,677,770	\$ 1,677,770	\$ –
Bond interest and redemption	69,359	–	69,359
<b>Total bond debt service/retirement</b>	<b><u>\$ 1,747,129</u></b>	<b><u>\$ 1,677,770</u></b>	<b><u>\$ 69,359</u></b>
<b><u>Municipal Garage</u></b>			
Bond proceed account	\$ 966,942	\$ 966,942	\$ –
Bond interest and redemption	62,941	–	62,941
<b>Total bond debt service/retirement</b>	<b><u>\$ 1,029,883</u></b>	<b><u>\$ 966,942</u></b>	<b><u>\$ 62,941</u></b>

*Table 3 – Restricted Funds/Reserved Retained Earnings*

The Revenue bond reserve account reflects the amount required in the revenue bond covenants.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2013 was as follows:

	Balances October 1, 2012	Additions	Deletions	Balances September 30, 2013
<b>Capital assets used by governmental activities, at cost</b>				
Capital assets, not being depreciated				
Land	\$ 8,641,254	\$ -	\$ -	\$ 8,641,254
Contributed ROW easments	3,144,986	2,414,818	-	5,559,804
Capital projects in process	24,540,485	18,273,041	18,749,500	24,064,026
Total capital assets, not being depreciated	<u>36,326,725</u>	<u>20,687,859</u>	<u>18,749,500</u>	<u>38,265,084</u>
Capital assets, being depreciated				
Infrastructure	238,015,237	8,290,808	-	246,306,045
Building and other improvements	244,977,091	12,133,503	5,128	257,105,466
Equipment and vehicles	82,773,784	10,343,040	3,085,816	90,031,008
Library collections	7,789,185	494,006	396,747	7,886,444
Total capital assets, being depreciated	<u>573,555,297</u>	<u>31,261,357</u>	<u>3,487,691</u>	<u>601,328,963</u>
Less accumulated depreciation for:				
Infrastructure	100,758,581	4,898,592	-	105,657,173
Buildings and other improvements	96,063,651	9,416,224	444	105,479,431
Equipment and vehicles	57,318,667	6,850,644	2,782,839	61,386,472
Library collections	3,164,218	459,419	396,747	3,226,890
Total accumulated depreciation	<u>257,305,117</u>	<u>21,624,879</u>	<u>3,180,030</u>	<u>275,749,966</u>
Total capital assets, being depreciated, net	<u>316,250,180</u>	<u>9,636,478</u>	<u>307,661</u>	<u>325,578,997</u>
Net capital assets used by governmental activities	<u>352,576,905</u>	<u>30,324,337</u>	<u>19,057,161</u>	<u>363,844,081</u>
<b>Capital assets used by business-type activities, at cost:</b>				
Enterprise funds				
Water and sewer utility plant	695,090,327	17,404,995	9,714,262	702,781,060
Drainage utility assets	102,935	4,869,635	319,900	4,652,670
Airport assets	155,569,811	12,703,977	9,173,467	159,100,321
Total cost	<u>850,763,073</u>	<u>34,978,607</u>	<u>19,207,629</u>	<u>866,534,051</u>
Less accumulated depreciation for				
Water and sewer utility plant	176,837,047	13,378,612	86,243	190,129,416
Airport assets	72,572,731	4,591,175	83,762	77,080,144
Total accumulated depreciation	<u>249,409,778</u>	<u>17,969,787</u>	<u>170,005</u>	<u>267,209,560</u>
Net capital assets used by business-type activities	<u>601,353,295</u>	<u>17,008,820</u>	<u>19,037,624</u>	<u>599,324,491</u>
<b>Government-wide net capital assets</b>	<u>\$ 953,930,200</u>	<u>\$ 47,333,157</u>	<u>\$ 38,094,785</u>	<u>\$ 963,168,572</u>

Table 4 - Capital Asset Activity

Depreciation expense was charged to functions/programs of the City as follows:

<b>Governmental activities</b>		
General government		\$ 93,021
Staff services		1,121,566
Police protection		596,564
Fire protection		1,117,265
Other public safety and health		915,423
Streets, traffic and engineering		6,344,686
Culture and recreation		5,035,636
Solid waste services		623,744
Transit services		<u>634,175</u>
Total governmental fund departments		16,482,080
Internal service fund depreciation allocable to governmental activities based on predominant usage		<u>5,142,799</u>
<b>Total governmental activities</b>		<u>\$ 21,624,879</u>
<b>Business-type activities</b>		
Water and sewer system		\$ 13,378,612
Airport		<u>4,591,175</u>
<b>Total business-type activities</b>		<u>\$ 17,969,787</u>

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

**Water and Sewer System Capital Assets**

The City of Amarillo is one of 11 cities that can receive surface water from a reservoir created by a dam on the Canadian River, which river arises from the headwaters of the Sangre de Cristo Mountains in New Mexico and crosses the Panhandle of Texas before merging into the Red River in eastern Oklahoma. The reservoir and related aqueduct system are operated by the Canadian River Water Municipal Water Authority (CRMWA), a subdivision of the State of Texas. The reservoir has experienced a serious decline in available water due to the drought conditions in the Texas Panhandle. Currently, the City of Amarillo is not allocating water from this source. The related infrastructure recorded on the City's books for CRMWA assets at September 30, 2013 is \$50.3 million. The related amortized cost of these assets is \$19.8 million.

The City owns \$56,700,214 of underground water rights in Roberts, Ochiltree, Hutchison, Potter, Randall, Carson, Hartley and Dallam counties with the majority in Roberts and Hutchison counties. Much of the water rights held in Potter, Randall and Carson counties have been developed and are currently being utilized. The City owns undeveloped water rights in Hartley and Dallam counties in the northwestern portion of the Texas Panhandle. Due to the acquisition of the superior Roberts County and Ochiltree County rights and existing water rights in Potter, Randall and Carson counties, the City does not have plans to develop the water rights in Hartley and Dallam counties at this time. The City sold a portion of the Hartley County water rights during fiscal year 2011. Proceeds from this sale were \$7,243,227. Proceeds from the sale are being held in a separate interest-bearing account and are being held for future purchases of water rights. In fiscal year 2011/12 and fiscal year 2012/13, \$991,758 and \$15,000 of these funds, respectively, were used to assist in purchasing water rights, leaving a balance of \$6,236,919 for future purchases. The City purchased \$17,206,287 of additional water rights in fiscal year 2011/12. These rights consisted of 34,609.52 acres of water rights in Ochiltree, Roberts and Lipscomb counties. These water rights were purchased from bond proceeds and amounts being held for purchase from Hartley and Dallam county water right sales. On December 3, 2013, the City Council approved the sale of approximately 45,000 acres of groundwater rights located in Hartley County. These groundwater rights are in an area of competition from irrigated agricultural operations. This sale will eliminate the City's exposure in Hartley County. This sale will be completed in two separate closings, the first on December 20, 2013 resulted in the sale of 23,664 acres for the amount of \$3,876,221 and the second closing will be on or before December 12, 2014, for approximately 21,985 acres with estimated receipts of \$3,715,532. The proceeds from both sales will be deposited in a separate interest-bearing account being held for the future purchase of water rights.

In accordance with financial accounting standards, the City capitalized interest costs applicable to its outstanding water and sewer bonds as construction in progress in its Water and Sewer System Fund, as follows:

Interest expense before capitalization	\$ 7,635,918
Interest expenses capitalized	\$ 766,916

The interest expense not meeting the capitalization criteria represents the \$4,320,267 of CRMWA charges associated with that entity's bonded indebtedness and \$2,548,735 of Water and Sewer Revenue Bond interest not subject to the capitalization requirements. The City prepaid bond interest payments due October 1, 2013 of \$736,760.

**Airport Capital Assets**

Airport capital assets include runways, buildings, and related improvements constructed by the Federal government for use as an Air Force Base on land contributed by the City, which was returned to the City in 1967 and 1970 upon closing of the Base. Upon return of such assets to the City, the land was recorded on the books of the Airport at \$1,521,510, its original cost to the City, and improvements were recorded at \$14,356,430, representing construction cost less a provision for depreciation to date returned.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

**Airport Capital Asset (Continued)**

Certain lands and improvements not utilized by the City for airport purposes are leased to various commercial enterprises and to approved economic development program applicants both directly and through the AEDC.

At September 30, 2011, the Airport had substantially completed the new terminal facility. The Airport capitalized \$45,450,327 of construction cost at September 30, 2011. The remainder of the terminal facility was completed at fiscal year-end September 30, 2013, at which time the Airport capitalized \$7,049,014 in additional construction costs.

The City capitalized interest costs in the amount of \$288,490 applicable to its outstanding airport bonds as construction in progress in the Airport Fund. Interest and amortization expense before capitalization was \$449,679.

**Drainage Capital Assets**

The Drainage Utility Fund currently has construction in progress, but as of September 30, 2013, had no other capital assets other than right of way easements of \$85,657. The City capitalized interest costs in the amount of \$59,571 applicable to its outstanding drainage bonds as construction in progress in the Drainage Utility Fund. Interest and amortization expense before capitalization was \$78,270.

**NOTE 7 - LEASES**

The City leases digital video red light camera equipment from American Traffic Solutions, Inc. under a cancelable operating lease. Total costs for the lease were \$342,000 for the year ended September 30, 2013.

**NOTE 8 - RETIREMENT BENEFITS**

The City participates in funding two retirement plans. The Texas Municipal Retirement System is an agent, multiple-employer, public-employee retirement system which is a nontraditional, joint-contributory, hybrid defined benefit plan. The Firemen's Relief and Retirement Plan is a single-employer, contributory defined benefit plan. Substantially all employees of the City are eligible to participate in one of these two plans.

The City's total payroll for the fiscal year ended September 30, 2013 was \$92,192,504 and the portion covered by the two plans was as follows:

Texas Municipal Retirement System (TMRS)	\$ 73,616,358
Firemen's Relief and Retirement System (FRRF)	<u>16,436,335</u>
<b>Total covered payroll</b>	<b><u>\$ 90,052,693</u></b>

Including current employees, annuitants and terminated employees entitled to future benefits, the City had 3,345 members of TMRS and 426 members of FRRF as of the dates of the latest actuarial evaluations.

In addition to the two retirement plans funded by the City, employees may participate in a deferred compensation plan. Details of the various plans are as follows:



**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 8 - RETIREMENT BENEFITS (CONTINUED)**

**Retirement Plans**

*Texas Municipal Retirement System (TMRS)*

*Plan Description*

The City provides pension benefits for all of its eligible employees who are not firefighters through a nontraditional, joint-contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent, multiple-employer, public-employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained from the TMRS website at [www.TMRS.com](http://www.TMRS.com).

TMRS was created by the State of Texas and is administered in accordance with the Texas Municipal Retirement System Act by six trustees appointed by the Governor of the State of Texas. The City joined the System in 1948 to supplement Social Security. The Plan accounts for its affairs to its members and provides actuarial information on the basis of the calendar year. Each of the municipalities has an annual individual actuarial valuation performed. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2012</u>	<u>Changes effective January 1, 2013</u>
Employee Deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10	5
Service retirement eligibility (expressed as age/years of service)	60/10, 0/20	60/5, 0/20
Updated Service Credit	0%	100% Repeating
Annuity Increase (to retirees)	0% of CPI	0% of CPI

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. Upon joining the Plan, the City granted its employees monetary credits of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (currently 200% for City of Amarillo employees) of the employee's accumulated contributions. In addition, the City can grant as often as annually another type of monetary credit referred to as an updated service credit. The updated service credit is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest, if the current employee contribution rate and the City's matching percent had always been in existence, and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity. In conjunction with the 2010-11 budget process, the City dropped the repeating Cost of Living Adjustment (COLA) and repeating Updated Service Credit (USC) benefits. However, the City approved the repeating Updated Service Credit during the 2012/13 budget process and added five-year vesting. Both of these benefits were effective January 1, 2013.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 8 - RETIREMENT BENEFITS (CONTINUED)**

**Retirement Plans (Continued)**

Members can retire at age 60 and above with 5 or more years of service or at any age with 20 years or more of service. The plan also provides death and disability benefits. A member is vested after 5 years, but he must leave his accumulated contributions in the plan. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

*Contributions*

The contribution rate for the employees is 7%, while the City's matching percent is currently 2 to 1, both as adopted by the City Council.

Under the state law governing TMRS, the City's contribution rate is annually determined by the System's actuary using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost-contribution rate and the prior-service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually. The prior-service, contribution rate amortizes the unfunded actuarial liability over the applicable period for the City of the plan's amortization period (24.7 years for the City as of the 12/31/2012 actuarial study). Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits such as the Updated Service Credits.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation are as follows:

Annual Required Contribution (ARC)	\$ 8,421,437
Interest on Net Pension Obligation	371,444
Adjustment to the ARC	<u>(326,343)</u>
Annual Pension Cost (APC)	8,466,538
Contributions Made	<u>(9,201,346)</u>
Decrease in net pension obligation	(734,808)
Net Pension Obligation at 09/30/2012	<u>5,306,344</u>
Net Pension Obligation at 09/30/2013	<u>\$ 4,571,536</u>

The City's total payroll in fiscal year 2013, exclusive of firefighters, was \$75,483,963, and the City's contributions were based on a covered payroll of \$73,616,358. Both the City and the covered employees make contributions monthly. The City's contribution was \$9,201,346. The employees' contributions of 7% of payroll were \$5,152,924.

*Funding Status and Future Changes in Actuarial and Amortization Methods*

The financing objective of each TMRS plan is to provide retirement, death, and disability benefits for a city's employees financed by a contribution rate which will remain approximately level as a percent of the city's payroll from year to year. To test how well the financing objective is being achieved, annual actuarial valuations are made, which valuations adjust each city's contributions for differences in the past year between the actuarial assumptions and the actual experience.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past experience.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 8 - RETIREMENT BENEFITS (CONTINUED)**

**Retirement Plans (Continued)**

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liabilities and the actuarial value of assets. The schedule of funding statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**Three-Year Trend Information**

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Actual</u> <u>Contributions Made</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
9/30/13	\$ 8,466,538	\$ 9,201,346	108.7%	\$ 4,571,536
9/30/12	9,921,486	9,887,329	99.7%	5,306,344
9/30/11	9,250,388	10,585,466	114.4%	5,272,187

The required contribution rates for fiscal year ending September 30, 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

<u>Valuation Date</u>	<u>12/31/2010 - Prior</u> <u>to Restructuring</u>	<u>12/31/2010 -</u> <u>Restructured</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	25.9 years; closed period	24.5 years; closed period	25.7 years; closed period	24.7 years; closed period
Amortization Period for New Gains/Losses	30 years	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
<i>Actuarial Assumptions:</i>				
Investment Rate of Return	7.50%	7.00%	7.00%	7.00%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation at	3.00%	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	0.00%	0.00%	0.00%	0.00%

In June 2011, Senate Bill 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS board at their May 2011 meeting. The review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009. For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report (CAFR).

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 8 - RETIREMENT BENEFITS (CONTINUED)**

*Firemen's Relief and Retirement Fund*

*Plan Description*

The City of Amarillo contributes to the Amarillo Firemen's Relief and Retirement Fund (FRRF), which is a single-employer, contributory defined benefit plan maintained for members of the City of Amarillo Fire Department. The benefit and contribution provisions of this plan are established under the authority of the Texas Local Fire Fighters Retirement Act (TLFFRA). The Board of Trustees of the Fund consists of three firefighters and two citizens elected by the members, together with the Mayor or the Mayor's designated representative and the Director of Finance of the City. Within parameters established by TLFFRA, the plan may be amended upon approval by the Board and a vote of the membership.

All persons who are under 36 years of age upon entering service as a firefighter must become members of the plan. The plan generally provides for a lifetime pension expressed as a percentage of average pay, available at age 50 after 20 years of participation. Early retirement and deferred retirement options are also available. The actuarial valuation at January 1, 2013 incorporated all changes in plan benefits effective through that date. The standard retirement benefit is 3.45% of average monthly salary multiplied by years of service, payable in the form of a joint and 2/3-spouse annuity, but various other forms of annuities may be selected. Disability benefits are also paid, the amount of which varies depending upon age, years of service and whether the disability is duty-related. Dependent children may also receive death benefits. A firefighter may elect to receive the return of his/her own contributions upon termination of employment.

The tabulation below summarizes membership of the fund at January 1, 2012, the effective date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	183
Current employees:	
Actives below assumed retirement age	229
Actives at or above assumed retirement age	<u>14</u>
<b>Total</b>	<u><u>426</u></u>

*Funding Policy and Contribution*

Contributions are made to the FRRF by each member and by the City. While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted by the fund must be approved by a qualified actuary. The actuary certifies that the contribution commitments of the firefighters and the City provide an adequate financing arrangement. The entry age actuarial cost method is used to determine the plan's normal cost as a percentage of payroll. This method does not identify or separately amortize unfunded actuarial liabilities. The excess of the total contribution rate over the normal cost rate is used to amortize the plan's unfunded actuarial accrued liability, if any.

The firefighters' total payroll in fiscal year 2013 was \$16,708,541, and the City's contributions were based on a covered payroll of \$16,436,335. The firefighters made required contributions of \$1,896,432, \$1,733,976, and \$1,761,713 for the fiscal years ending 2013, 2012, and 2011, respectively.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 8 - RETIREMENT BENEFITS (CONTINUED)**

*Firemen's Relief and Retirement Fund* (Continued)

*Funding Status*

The most recent actuarial valuation was performed as of January 1, 2012. Valuations are performed biennially. The actuarial accrued liability is developed by subtracting the present value of future normal costs from the present value of total future benefits. Amounts are discounted for interest and for the probability that they will ultimately be paid. Probabilities taken into account include death, disability and termination. The unfunded actuarial liability represents the difference between (a) the present value of future benefits and (b) the sum of the present value of future normal costs and fund assets.

The actuarial method and assumptions used in the actuarial valuation of the plan are the same as those used to develop the actuarial present value under GASB Statement No. 25, 27 and 50. The actuarial cost method used in the valuation is the entry age normal actuarial cost method.

Actuarial assumptions used in determining the accrued pension liability included the contribution rates of 17.83% by the City and 11% by employees, a 3.25% rate of inflation, compensation increases for individual members of 5.5% per year, compounded annually, increases in total payroll of 5.5%, compounded annually, retirement age of active firefighters of 54 and 20 years of service, and starting age for benefits of terminated members to average age 50. The assumed rate of return on the actuarial value of assets was 8.25%, compounded annually, based on a study of the historical yield of the trust fund, as well as an estimate of future rates of return, given the nature and mix of current and expected plan investments. Neither the plan nor the actuarial valuation includes a cost of living increase.

The amortization of the unfunded actuarial accrued liability was determined as a level percentage of projected payroll. As of January 1, 2012 the amortization period of the unfunded actuarial accrued liability is 102.1 years. The amortization period is an open amortization period. Guidelines published by the Texas State Pension Review Board specify that the amortization period should never exceed 40 years, with a 25 to 30-year period being preferable. The amortization period as of January 1, 2012 of 102.1 years is greater than the Pension Review Board Guidelines. During October 2012 the firefighters voted in a 2% employee contribution increase from 11% to 13% to address the increased amortization period. The estimated amortization period after the increase is 50.2 years. The annual pension cost, unfunded actuarial liability, and net pension obligation which are calculated under a 30-year amortization period are as follows:

Annual Required Contribution (ARC)	\$ 3,710,420
Interest on Net Pension Obligation	21,283
Adjustment to the ARC	<u>(13,189)</u>
Annual Pension Cost (APC)	3,718,514
Contributions Made	<u>(2,915,596)</u>
Change in net pension obligation	802,918
Net Pension Obligation at 9/30/2012	<u>257,971</u>
Net Pension Obligation at 9/30/2013	<u>\$ 1,060,889</u>

The actuarial value of plan assets was determined using techniques that smooth the effects of short-term volatility in the fair value of assets over a five-year period. At January 1, 2012, the actuarial value of plan assets was \$120,396,531 and the fair market value was \$115,866,425.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 8 - RETIREMENT BENEFITS (CONTINUED)**

*Firemen's Relief and Retirement Fund* (Continued)

The investment return assumption and the projected salary increase use the same assumptions with respect to inflation.

**Three-Year Trend Information**

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Actual</u> <u>Contributions Made</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
09/30/2013	\$ 3,718,514	\$ 2,915,596	78.4%	\$ 1,060,889
09/30/2012	3,383,272	2,810,617	83.1%	257,971
09/30/2011	2,957,348	2,855,574	96.6%	(314,684)

**Summary Unfunded Actuarial Accrued Liability – All Plans**

The City's unfunded obligation for both the TMRS and FRRF plans is summarized in Table 5 below:

	<u>TMRS</u> <u>12/31/2012</u>	<u>FRRF</u> <u>1/1/2013</u>	<u>Totals</u>
Actuarial accrued liability	\$ 359,062,508	\$ 153,978,252	\$ 513,040,760
Net assets available for benefits asset valuation based on cost or adjustment cost	(328,782,257)	-	(328,782,257)
Net asset available for benefits asset valuation based on smoothed market	-	(120,396,531)	(120,396,531)
<b>Unfunded (overfunded) actuarial accrued liability</b>	<b>\$ 30,280,251</b>	<b>\$ 33,581,721</b>	<b>\$ 63,861,972</b>

	<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u> <u>(a)</u>	<u>Actuarial Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u> <u>[(b-a)/c]</u>
TMRS	12/31/12	\$ 328,782,257	\$ 359,062,508	\$ 30,280,251	91.6%	\$ 71,219,421	42.5%
FRRF	01/01/12	120,396,531	153,978,252	33,581,721	78.2%	15,058,726	223.0%

*Table 5 – Unfunded (Overfunded) Actuarial Accrued Liability*

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**Trend Information**

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable. This information, presented in accordance with the standards of GASB Statement No. 25 and 27 as amended by GASB Statement No. 50, may be found in the Required Supplementary Information section of this report on page 107 (TMRS plan) and page 108 (FRRF plan).

**Additional Information**

All administrative costs of the TMRS plan are borne by that system. City management does not participate in investment decisions, and there are no related party transactions. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149513, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS/ website at [www.TMRS.com](http://www.TMRS.com).

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 8 - RETIREMENT BENEFITS (CONTINUED)**

**Additional Information (Continued)**

Salaries for City personnel who help administer the Amarillo Firemen's Relief and Retirement Fund (AFRRF) are borne by the City's General Fund. The Fund incurs the costs of the annual actuarial and audit fees. The Fund has not held securities issued by the City. The Fund issues an audited stand-alone annual financial report. This report, and further details concerning the plan, is available by contacting the Board of Trustees, Firemen's Relief and Retirement Fund, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

**Deferred Compensation Plan**

In addition to the TMRS and FRRF plans, the City offers its full-time employees a choice of deferred compensation plans created in accordance with Internal Revenue Code (IRC) Section 457. The plans, available to all City employees, permit them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination of employment, retirement, death or unforeseeable emergency. The employee liability for the related Federal income taxes is deferred until the funds are paid to the participating employee or beneficiary under the terms of the agreement.

The laws governing deferred compensation plans require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Because the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

**NOTE 9 - POSTEMPLOYMENT BENEFITS**

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the fiscal year ending September 30, 2008. The City provides postemployment health benefits to retirees within a single-employer plan. In January 2013, the City began prefunding a portion of its Other Postemployment Benefits (OPEB) liability via an irrevocable multiemployer OPEB trust (PEB Trust) in addition to pay-as-you-go costs. Assets in the PEB Trust can only be used to fund other postemployment benefits, such as medical costs for eligible retirees, and any eligible spouse or children. During calendar year 2013, the City made contributions of 1.96% of payroll into the PEB Trust. The City will increase prefunding contributions to 2.43% commencing January 1, 2014. The City Council has the authority to increase or decrease prefunding contribution rates.

As shown below, for FYE 2013 the City's total contributions (prefunding + pay-as-you-go) were less than the actuarial calculation of annual required contribution for FYE 2013. In prior years, there was no prefunding, and each respective fund liquidated their respective liability on a pay-as-you-go basis. From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future years when benefits will be paid.

*Annual Other Postemployment Benefits Cost*

For the fiscal year ended September 30, 2013, the City's annual OPEB cost (expense) is \$22,961,829. Considering the annual expense less pay-as-you-go cost of \$5,088,572 for retirees, the result was an increase in the net OPEB obligation of \$17,873,257 for the year ended September 30, 2013.

**Benefit Obligation and Normal Cost Fiscal Year Ended September 30, 2013**

<b>Actuarial present value of benefits</b>	<u>\$ 407,711,186</u>
<b>Unfunded actuarial accrued liability</b>	
Actuarial accrued liability	\$ 267,069,036
Actuarial value of assets	-
<b>Unfunded actuarial accrued liability</b>	<u>\$ 267,069,036</u>
<b>Present value of future normal costs</b>	<u>\$ 140,642,150</u>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 9 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Annual Other Postemployment Benefits Cost (Continued)*

<b>Annual required contribution</b>	
Normal cost	\$ 10,995,493
Amortization of UAAL	11,120,824
Interest on above amounts to end of year	<u>884,653</u>
<b>Annual required contribution</b>	<b><u>\$ 23,000,970</u></b>

**Net OPEB Obligation**

<b>Annual required contribution</b>	\$ 23,000,970
<b>Interest on net OPEB obligation</b>	2,982,753
<b>Adjustment to annual required contribution</b>	<u>(3,021,894)</u>
Annual OPEB cost	\$ 22,961,829
<b>Employer contributions with interest</b>	<u>(5,088,572)</u>
Increase in net OPEB obligation	17,873,257
<b>Net OPEB obligation, beginning of year</b>	<u>74,568,830</u>
<b>Net OPEB obligation, end of year</b>	<b><u>\$ 92,442,087</u></b>

**Schedule of Employer Contributions**

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Employer Contribution</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
9/30/13	\$ 22,961,829	\$ 5,088,572	22%	\$ 92,442,087
9/30/12	21,982,334	4,367,187	20%	74,568,830
9/30/11	17,366,128	3,807,472	22%	56,953,683

*Funding Status*

Effective January 1, 2013, the City began funding the PEB Trust. Actuarial values of the program involve estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
10/1/12	\$ -	\$ 267,069,036	\$ 267,069,036	0.0%	\$ 94,400,488	282.9%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 9 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial Methods and Assumptions (Continued)*

members to that point. The current plan requires that when a retiree becomes Medicare eligible, the City-sponsored group healthcare plan becomes a supplement to Medicare. Effective January 1, 2015, all retirees, who are enrolled in Medicare, will be transitioned to a private Medicare supplement plan and will no longer be covered on the City-sponsored plan. The City intends to provide a stipend to assist retirees in the payment of the supplement premium. The unfunded actuarial accrued liability is being amortized over 30 years. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City hired an actuary to estimate the liability of the City's retiree health program. The amounts recorded as liabilities for the fiscal year ending September 30, 2013 are based on the October 1, 2011 actuarial study. The actuarial liability was based on a 4.0% discount rate, pay-as-you-go-funding. Projected Unit Credit level percent of pay actuarial cost method, 30-year closed amortization of the UAAL, increasing at 3.00% per year (payroll growth rate). The healthcare cost trend rates are assumed to decrease in future years ranging from a high of 9.00% for 2014 to 5.00% beginning 2022.

The City's actuary will produce an actuarial study as of October 1, 2013, which will take into account changes to the plan and prefunding into an irrevocable trust. Those changes may result in reductions in liabilities.

*Financial Statements*

The Plan does not publish separate financial statements. Further information regarding the Plan, including the most recent actuarial study, may be obtained from the Finance Director, City of Amarillo.

**NOTE 10 - COMMITMENTS**

The City has several ongoing commitments. One of the more significant commitments is the City's commitment to the Canadian River Municipal Water Authority (CRMWA). The City is obligated to pay its pro rata share of operating costs of the Canadian River Municipal Dam and Aqueduct System along with the City's portion of the CRMWA debt. These costs are included in the Water and Sewer system. In the event of the acquisition and financing of additional water rights, the City would be responsible for contract payments to CRMWA for its proportionate share of the debt service on the bonds issued.

Due to the increasing decline of Lake Meredith, CRMWA began acquiring additional water rights in Gray, Hutchinson, Roberts, and Wheeler Counties beginning in 2004. In the process of acquiring water rights, CRMWA is now one of the largest water rights owners in Texas.

The City leases facilities adjoining to the City's Civic Center from the Amarillo-Potter Events Venue District (the Venue District). Under the terms of the lease the City is obligated to pay the greater of \$10 per month or any shortfall in the District's required monthly deposit to the debt service account. The City has not had to pay more than \$120 in lease payments since the inception of the District in 1998.

Moreover, the Venue District's tax revenues currently can cover debt service payments approximately two times. Therefore, the City does not anticipate paying more than \$120 in lease payments in 2013-14. However, the City has appropriated \$1,110,841 of its available Fund Balance in the City's 2013-14 budget for its potential commitment to the Venue District although City Management does not believe that any payment beyond \$120 will be necessary.

Most of the City's commitments are in capital projects. Many of these projects take more than a year to design, bid, and construct; therefore, the appropriation and commitment do not end at year-end. At

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 10 - COMMITMENTS (CONTINUED)**

September 30, 2013, the City had commitments with respect to completion of various capital projects, as reflected in Table 6. For this purpose, commitments are defined as the difference between the appropriation for the project and amounts paid or recognized as liabilities at year-end; additional funding from outside sources are shown as a reduction to the amounts reported as committed. Sufficient resources were either on hand in the City's accounts or authorized and available to complete all committed projects.

	<u>Project Authorizations</u>	<u>Expected Outside Funding Sources</u>	<u>Outside Funding Received</u>	<u>Complete at September 30, 2013</u>	<u>City's Remaining Committed</u>
Governmental activities					
Street improvements	\$ 11,645,962	\$ 10,281,656	\$ 837,000	\$ 1,889,413	\$ 311,893
General construction	44,362,569	44,290,109	25,547,007	15,830,744	9,788,723
Solid waste improvements	12,960,712	-	-	4,318,566	8,642,146
Golf course improvement	75,200	-	-	55,508	19,692
Civic Center improvements	2,619,494	112,528	7,630	571,762	1,942,834
Total - governmental fund activities	<u>71,663,937</u>	<u>54,684,293</u>	<u>26,391,637</u>	<u>22,665,993</u>	<u>20,705,288</u>
Internal service fund projects					
Information services	2,924,838	85,761	85,761	1,785,720	1,139,118
Municipal garage	553,590	-	-	503,645	49,945
Total - all governmental-type activities	<u>75,142,365</u>	<u>54,770,054</u>	<u>26,477,398</u>	<u>24,955,358</u>	<u>21,894,351</u>
Business-type activities					
Water and sewer system improvements	85,301,210	7,839,160	943,905	34,064,800	44,341,155
Airport	65,259,906	30,587,502	27,188,418	56,907,911	4,952,911
Drainage utility	5,727,662	-	-	4,886,913	840,749
Total - all business-type activities	<u>156,288,778</u>	<u>38,426,662</u>	<u>28,132,323</u>	<u>95,859,624</u>	<u>50,134,815</u>
<b>Total - all city project</b>	<u>\$ 231,431,143</u>	<u>\$ 93,196,716</u>	<u>\$ 54,609,721</u>	<u>\$ 120,814,982</u>	<u>\$ 72,029,166</u>

Table 6 – Unfinished Construction Projects

Funding assistance is being requested in connection with the development of a new well field located in Potter County northeast of the City. The total estimated cost of this project is \$92 million. During April 2009 the City issued \$38,885,000 in the form of Combination Tax and Revenue Certificates of Obligation through the Texas Water Development Board's Water Infrastructure Fund Loan program at a favorable interest rate of two percentage points below market or 2.10%. The additional \$47.4 million needed for the project was also funded through the Texas Water Development Board's Water Infrastructure Fund Loan program at even better rates. The City issued \$47.4 million in the form of Combination Tax and Revenue Certificates of Obligations 2009B at 1.97%. Also in November 2009, the City received funding from the Texas Water Development Board as part of the America Recovery and Reinvestment Act (ARRA) for funding improvements to the City's Water Treatment Plant. The City has issued the 2009C Combination Tax and Revenue Certificates of Obligation in the amount of \$18,075,000 at 0% interest. These bonds are being issued in multiple settlements as the City continues the project. As of September 30, 2013, all of this amount has been received and is recorded as a bond payable.

The City currently has eight Public Improvement Districts (PIDs). Seven of the eight PIDs are located in residential areas of the City and the last PID is located in a business park. These PIDs were established to provide and maintain enhanced amenities beyond what the City would normally approve in a standard development. Most of these amenities take the form of linear parks with walkways, additional landscaping, special features such as bridges and clock towers and special lighting. Since the residents adjacent to these amenities benefit more than the general public, the residents adjacent to the enhanced areas pay special assessments each year for these enhanced amenities.

The PIDs are responsible for the maintenance and ongoing upkeep of these enhanced facilities along with the original cost of the improvements. The City has issued Certificates of Obligations to pay for improvements at the Greenways Public Improvement District. The first issue was for \$600,000 in 2001; the second issue was for \$620,000 in 2003, and a third issue was for \$600,000 in 2008. The special assessments paid by the residents are used to pay for the maintenance and upkeep of the special amenities and to service the debt on the Certificates of Obligation. At the end of fiscal year 2013, there was approximately \$680,000 due the developer of the Greenways for unreimbursed improvements.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 10 - COMMITMENTS (CONTINUED)**

The City is obligated to issue additional debt and pay the developer when there are sufficient property owners to support the debt service payments. All of the enhanced amenities at the Greenways were originally estimated to be approximately \$2.5 million and estimated expenditures for the 2014 fiscal year are \$26,175.

The Colonies Public Improvement District also has unreimbursed costs to the developer for enhanced amenities. The City issued Certificates of Obligations to reimburse the developer for these enhancements. The bonds were issued during 2006 in the amount of \$585,000 and \$1,500,000 during 2008. The special assessments paid by the residents will be used to pay the debt service associated with this issue. Through September 30, 2013 there was approximately \$2,311,000 in unreimbursed cost to the developer. The City is obligated to issue debt when there are sufficient property owners to support the debt to pay the developer along with the ongoing maintenance and upkeep of the amenities. All of the enhanced amenities at the Colonies were originally estimated to be approximately \$4.6 million and estimated expenditures for the 2014 fiscal year are approximately \$1.35 million. The other PIDs are fully developed and there is not an amount to be paid to the developer.

The City has committed \$276,300 in the 2013/14 Budget to Downtown Amarillo Inc. (DAI) and \$184,995 to Center City for downtown redevelopment. Both work closely with the City, citizens and the downtown developer to promote and improve the downtown area.

The City previously entered into a development agreement, which was assigned to the Amarillo Local Government Corporation (the Corporation) in 2011. The Corporation's charge is to work with the developer on three downtown initiatives: a convention hotel, a parking garage and a multi-purpose event venue that will also serve as a minor league ball park. The City will own all of the facilities. The City anticipates that they will need to issue approximately \$39.8 million in hotel tax revenue bonds to finance the parking garage and multi-purpose event venue during the next two years. This issuance may be split into two pieces based on the construction sequence of the projects as they are developed. The City budgeted capital funds for relocation of utilities in the 2011/12 budget. At year-end this project was in process.

Currently, 3.5% of the 7% hotel tax revenues are used to offset the operating loss at the Civic Center Complex, which includes the Globe News Center. Also, about 3% of the hotel tax is allocated to the Chamber of Commerce's Convention and Visitor's Counsel to promote tourism and conventions in the City. The remaining half percent is used to subsidize events at the Civic Center Complex. Generally, the 3.5% for the Civic Center Complex is more than enough to offset the loss and the balance is transferred to the Civic Center Improvement fund for future capital needs. Likewise, the City generally does not use all the funds allocated to subsidize events at the Civic Center Complex and those excess funds are also transferred to the Civic Center Improvement funds. All three of the projects will be outsourced in a lease agreement with the selected developer(s). The developer(s) along with the City will be responsible for the maintenance and operation of the facilities as appropriate.

To free up additional hotel tax revenues, the City increased Civic Center Complex rents by 20% in 2011/12 and 2012/13 fiscal years. The City has also added a 10% add-on fee to ticketed events at the Civic Center Complex. Since most events were under contract in 2012/13, the City will not see the full benefit of this increase until 2014. Effective with the 2011/12 budget, the Venue District approved a \$100,000 increase in the operating agreement for their portion of the Civic Center, which also freed up additional hotel tax to be used for other purposes.

For the Civic Center, the net result of issuing the hotel tax revenue bonds will be fewer funds for future capital. The Chamber has retained significant unspent hotel revenues and will use those funds to offset the reduction in future hotel tax allocation to them. The hotel tax revenue will ultimately have to grow to make up for the projected reductions to the Chamber and Civic Center. Fortunately, the City is experiencing significant strength in growth of hotel tax revenues, 2011/12 and 2012/13 were the City's best years yet for hotel tax and the increased collections are already beginning to offset project reductions.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS**

**Tax Supported Debt**

On February 3, 2011 the City issued the 2011A and 2011B Certificates of Obligation series. The 2011A series was issued in the amount of \$3,750,000 to fund the reconstruction of one of the City's municipal golf courses. The debt service for this issue will be funded by revenue generated from the City golf courses. The maturities range thru 2037 with annual principal payments from \$90,000 to \$245,000 and provide for interest rates ranging from 3.50% to 5.25%. . The 2011B series was issued in the amount of \$2,210,000 to fund streetscape improvements in the City's downtown central business district. The streetscape project is part of our "Downtown Strategic Action Plan" for TIRZ #1. Accordingly, the debt service for this issue will be funded by the TIRZ #1 revenue. The maturities range thru 2032 with annual principal payments from \$75,000 to \$170,000 and provide for interest rates ranging from 3.50% to 6.00%.

On April 15, 2010 the City issued \$1,392,000 Recovery Zone Build America Bonds, Series 2010. These bonds were issued at 5.81% with a 45% interest subsidy from the United States Treasury. The maturities range thru 2030 with an average interest coupon of 3.196% (net of the subsidy). The proceeds are to fund the City's portion of the construction of a bridge at Grand and 3rd Street, as well as street and drainage improvements. The annual principal maturities range from \$60,000 to \$88,000.

On September 3, 2009 the City issued the Series 2009 General Obligation Refunding Bonds in the amount of \$4,825,000. These bonds refunded the 2001 General Obligation Bonds, with the exception of the August 15, 2010 principal payment of \$285,000, which was paid by the City. The refunding met the requirements of an in-substance defeasance and the applicable bonds were removed from the City's books of account. The refunding was undertaken to reduce total debt service payments over the next 13 years by approximately \$287,000, and resulted in an economic gain of approximately \$231,000. Interest on the 2009 bonds is payable in semi-annual installments at rates ranging from 2.00% to 5.00%, and the serial bonds mature annually to August 15, 2022 in amounts ranging from \$355,000 to \$485,000. The City has reserved the right to redeem the bonds with maturities on or after August 15, 2019 on August 15, 2018 or any date thereafter.

The City issued \$24,575,000 Combination Tax and Revenue Certificates of Obligation bonds dated September 25, 2007. The issuance of these bonds has greatly helped the City to respond to the substantial growth pressures existing in Fire, Police, Public Health, Street, and the Parks and Recreation Departments to meet public facility and infrastructure needs. Interest is payable in semi-annual installments which began November 15, 2008, at rates ranging from 4.00% to 5.25%, and the serial bonds mature annually to May 15, 2027 in amounts ranging from \$1,070,000 to \$2,000,000. The City has reserved the right to redeem the bonds with maturities on or after May 15, 2018 on May 15, 2017 or any date thereafter. The bonds are insured by the MBIA Insurance Corporation.

On Feb. 18, 2009, MBIA Inc. announced a restructuring plan that created new, separate legal entities within the MBIA group. In this transaction, National Finance Guarantee Corporation (National), formerly known as MBIA Insurance Corporation of Illinois, became a sister company of other MBIA entities that maintain non-U.S. public finance risks. National became the U.S. public finance insurer within the MBIA group, and it assumed the U.S. public finance book of business that was previously part of MBIA on a reinsurance-cut-through basis. MBIA's other legal entities retained the global structured finance and international infrastructure business. This restructuring had the goal of separating the more volatile structured finance book of business from the lower-risk/lower-volatility U.S. public finance book. On December 19, 2011, Moody's Investor Service downgraded the financial strength of National to Baa2 from Baa1. This rating action has no effect on the City's underlying rating, nor did it affect the original terms of the bonds. The City's General Obligation debt enjoys AAA by Standard and Poor's and Aa1 by Moody's.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Special Assessment Debt**

On December 20, 2001, the City issued \$600,000 of Combination Tax and Revenue Certificates of Obligation for the purpose of financing the construction of park facilities in the Greenways Public Improvement District of the City. Debt service is to be funded out of special assessments on properties within the District. Under the terms of Certificates of Obligation, if the City did not levy the special assessment or if the revenue from the special assessments was not sufficient to pay the debt service on the Certificates of Obligations, the City would be obligated to levy a tax to make the debt service payments. Interest is payable in semi-annual installments at 4.45%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$50,000 to \$55,000. Final maturity is August 15, 2016, and the City has reserved the right to redeem the remaining outstanding certificates on or after August 15, 2010.

On November 26, 2003, the City issued \$620,000 of Combination Tax and Revenue Certificates of Obligation for the purpose of financing the construction of additional park facilities in the Greenways Public Improvement District of the City. Debt service is to be funded out of special assessments on properties within the District. Interest is payable in semi-annual installments at 3.70%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$30,000 to \$45,000. Final maturity is August 15, 2023.

On May 24, 2006, the City issued \$585,000 of Combination Tax and Revenue Certificates of Obligation for the purpose of financing enhancements of the park facilities in the Colonies Public Improvement District. Debt Service is to be funded out of special assessments on properties within the District. Principal and interest are payable monthly at a rate of 4.75%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$18,920 to \$43,909. The final maturity is February 15, 2026.

On July 17, 2008, the City issued \$600,000 (2008A) and \$1,500,000 (2008B) of Combination Tax and Revenue Certificates of Obligation for the purpose of financing enhancements of the park facilities in the Greenways Public Improvement District and the Colonies Public Improvement District, respectively. Debt Service is to be funded out of special assessments on properties within each District. For the 2008A issue principal and interest are payable monthly at a rate of 4.28%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$25,000 to \$45,000. The final maturity is February 15, 2028. For the 2008B issue principal and interest are payable monthly at a rate of 4.08%, and the certificates are subject to mandatory redemption in annual amounts ranging from \$60,000 to \$110,000. The final maturity is February 15, 2028.

**Municipal Garage Bonds**

On December 12, 2012 the City issued the 2012B bond issue for \$2,790,000 in Combination Tax and Sanitation Revenue Certificates of Obligations to purchase rolling stock for the City's municipal garage. Rolling stock replacement was delayed during the recent economic downturn. The 2012B issue has a five-year maturity and the proceeds will be used to purchase rolling stock with at least a five-year life. The COs have a \$1,000 limit pledge of Sanitation Revenues and a property tax pledge. The City intends to pay the COs from Municipal Garage Rental Revenues and not levy a tax for the debt. The final maturity is August 19, 2018. The COs are subject to mandatory redemption in annual amounts ranging from \$460,000 to \$475,000 and provide for interest rates ranging from 1.00% to 1.25%

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

Summary of changes in the governmental activities debt for the year ended September 30, 2013 is as follows:

	Tax Supported Debt	Special Assessment Debt and Other Revenue Sources	Municipal Garage Debt	Total Government Activities Debt
Principal balances outstanding, October 1, 2012	\$ 27,040,000	\$ 8,680,210	\$ -	\$ 35,720,210
New bond issue	-	-	2,790,000	2,790,000
Principal maturities	(1,424,000)	(339,860)	(460,000)	(2,223,860)
Balances September 30, 2013	25,616,000	8,340,350	2,330,000	36,286,350
Balance of unamortized issuance cost	(22,108)	(40,338)	-	(62,446)
Balance of unamortized discount/premium	194,777	-	28,459	223,236
Net balances, September 30, 2013	<u>\$ 25,788,669</u>	<u>\$ 8,300,012</u>	<u>\$ 2,358,459</u>	<u>\$ 36,447,140</u>

**Water and Sewer Bonds**

On December 28, 2006, the City issued Waterworks and Sewer System Revenue Refunding Bonds, Series 2006A of \$9,370,000 par value to refund the 1996 Waterworks and Sewer System Revenue Refunding. The advance refunding met the requirements of an in-substance defeasance and the applicable bonds were removed from the City's books of account. The refunding was undertaken to reduce total debt service payments by approximately \$105,000 and resulted in an economic gain of approximately \$67,000. The 2006A bonds mature annually through 2027 in principal amounts ranging from \$1,010,000 to \$1,350,000, and the interest rates on the outstanding securities range from 4.25 % to 4.375%. In order to keep debt service payments level the City's principal payments will begin in the year 2020.

On September 7, 2005 the City issued the Waterworks and Sewer Revenue Refunding Bonds in the amount of \$13,650,000 maturing through 2019, to advance refund a portion of the 1999 Waterworks and Sewer Revenue Bond issue. The refunding was undertaken to reduce total debt service payments over the next twelve years by approximately \$917,000 and resulted in an economic gain of approximately \$769,000. The refunded bonds were removed from the City's books. The outstanding remaining principal for the 1999 issue was paid off on April 1, 2007. The outstanding 2005 bonds mature annually through 2019 with principal amounts ranging from \$1,110,000 to \$1,415,000 and provide for interest rates ranging from 4.00% to 5.00%.

In 2003 the City issued Waterworks and Sewer System Revenue Bonds in the amount of \$9,180,000 for the purpose of funding capital projects. On August 1, 2011 the City issued General Obligation Refunding Bonds, Series 2011 of \$5,605,000 par value to refund \$5,680,000 of the 2003 Waterworks and Sewer System Revenue Bonds. The advance refunding met the requirement of an in-substance defeasance and the applicable bonds were removed from the City's books of account. The refunding was undertaken to reduce the total debt service payments over the next twelve years by \$840,080 and resulted in an economic gain of \$716,618 with a net present value benefit of \$337,772. \$410,000 of the outstanding remaining principal of the 2003 issue was paid off in 2012. The outstanding Series 2011 bonds mature annually thru 2023 with principal amounts ranging from \$455,000 to \$575,000 and provide for interest rates ranging from 2.00% to 3.125%.

On December 28, 2006, the City issued \$9,120,000 Waterworks and Sewer System Revenue bonds, Series 2006 for the improvement and expansion of the City's waterworks and sewer system. In order to keep the debt service payments level, the principal payments will begin in 2013 and mature annually through 2032 in principal amounts ranging from \$315,000 to \$655,000. The interest rates on the bonds will range from 4.00% to 4.50%.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Water and Sewer Bonds (Continued)**

On April 1, 2009, the City issued \$38,885,000 Combination Tax and Revenue Certificates of Obligation bonds, Series 2009 to help fund the Potter County well field project. The outstanding bonds mature annually through 2028 in principal amounts ranging from \$2,005,000 to \$2,555,000 and provide for interest rates ranging from .148% to 3.018%.

On December 29, 2009, the City issued the Combination Tax and Revenue Certificates of Obligation Series 2009B in the amount of \$47,400,000. The Series 2009B bonds mature annually through 2029 in principal amounts ranging from \$1,955,000 to \$3,400,000 and provide for interest rates ranging from .21% to 2.587%. The City also issued Combination Tax and Revenue Certificates of Obligation Series 2009C in the amount of \$18,075,000. The Series 2009C bonds mature annually through 2031 with annual principal payment of \$905,000 and provide for a 0% interest rate.

During 2013, the City settled and closed on \$1,060,000 of the remaining balance of the Series 2009C Bonds.

On August 1, 2011 the City issued the Waterworks and Sewer System New Series Revenue Bonds, New Series 2011 in the amount of \$16,300,000. The Series bonds mature annually through 2031 in principal amounts ranging from \$615,000 to \$1,150,000 and provide for interest rates ranging from 2.00% to 4.125%. The proceeds were used to fund the purchase of Ochiltree County water rights.

On July 10, 2013 the City issued the Waterworks and Sewer System New Series Revenue Bonds in the amount of \$1,310,000. The Series bonds mature annually through 2023 in principal amounts ranging from \$125,000 to \$135,000 and provide for interest rates ranging from 0.01% to 0.85%. The proceeds will be used to fund the design of the Osage to Arden Road pipeline.

A summary of changes in Water and Sewer System bonded debt for the year ended September 30, 2013, is as follows:

<b>Principal balances outstanding, October 1, 2012</b>	\$ 142,585,000
New bond issue	2,370,000
Principal maturities	<u>(7,290,000)</u>
Balances, September 30, 2013	137,665,000
Balance of unamortized refunding and issuance costs	<u>(1,395,892)</u>
<b>Net balances, September 30, 2013</b>	<b><u>\$ 136,269,108</u></b>

The net revenues of the Water and Sewer System are pledged to secure this debt. In accordance with bond covenants, the following special funds or accounts must be maintained:

- A revenue fund, to which all gross revenues are to be credited immediately upon receipt.
- An interest and redemption fund, to be funded by transfers from pledged revenues in approximately equal monthly installments, sufficient to pay the next succeeding interest and principal payments. The 2013 obligation is \$10,647,712. At September 30, 2013, the amount available in this account was \$3,517,697.
- A reserve fund, to be funded monthly by transfers from pledged revenues in the amount equal to 1/60th of the average annual principal and interest requirements of the bonds until the fair value of the reserve fund is equal to the average annual debt service requirements of the then outstanding bonds. At September 30, 2013, the combined requirement amounted to \$2,041,591 and the amount available in this account was \$2,041,591.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Water and Sewer Bonds (Continued)**

The interest/redemption and reserve funds required by the bond covenants are reported in the financial statements as noncurrent assets and liabilities. The various revenue bond covenants require that the City carry insurance against risks, accidents or casualties to the extent usually carried by corporations operating like properties.

The City is subject to arbitrage provisions under the Internal Revenue Code, which requires that excess earnings on invested proceeds from tax-exempt bond sales over interest expense paid to bond holders be remitted to the Internal Revenue Service. The City did not have an arbitrage liability at September 30, 2013. The City has maintained its tax-exempt status during 2013.

The City has the right to issue additional Waterworks and Sewer Revenue Bonds, subordinate to these issues. Moreover, the City can issue additional parity debt so long as the net Water and Sewer System revenues exceed the debt service on the prior bonds together with any additional borrowings by 1.25 times.

On December 17, 2013, the City Council approved the issuance of \$8,495,000 Waterworks and Sewer System Revenue Bonds, Series 2014 with a loan thru the Clean Water State Revolving Fund program of the Texas Water Development Board. These funds will be used for the design and construction of Georgia Street Interceptor project. This project will eliminate a lift station and ensure proper operation of the collection system in the area. This bond issue will also fund the planning and design for the replacement of Lift Station 32. Included in this financing is an additional amount of \$441,131 of loan forgiveness for a total project of \$8.9 million.

On December 13, 2013, Standard & Poor's Rating Services affirmed its AAA rating, with a stable outlook, on the City of Amarillo, Texas Waterworks and Sewer System Revenue Bonds.

**Water Authority Obligations**

In 1968 the City, together with 10 other cities, entered into a contract with the Canadian River Municipal Water Authority (CRMWA) to reimburse it for the cost of constructing a dam and aqueduct system in exchange for the water to be provided from the reservoir. The dam is located approximately 35 miles northeast of the City.

In 1998 a portion of CRMWA's remaining obligation to the U.S. Bureau of Reclamation in connection with the construction indebtedness was retired in exchange for a transfer of CRMWA's surface lands to the National Park Service. In 1999 CRMWA issued revenue bonds maturing in the years 2000 to 2018 in order to retire the balance of the U.S. obligation. In 2010 CRMWA issued refunding bonds maturing in 2018 in order to retire the 1999 issue. The City's share of the principal amounts range from \$477,745 to \$941,547 and provide for interest rates ranging from 3.00% to 3.50%. The bonds are secured by a lien on contract revenues, consisting of the member cities' project agreement payments. At September 30, 2013, the City's proportionate share of this indebtedness was \$2,988,278, and its share of the unamortized discount obtained for early retirement of the Bureau of Reclamation debt was \$1,659,192.

In May 1996, member cities of CRMWA agreed to participate in a project to develop underground water rights to supplement CRMWA's available surface water, and CRMWA then issued revenue bonds to fund phase 1 of the project, which consisted of purchasing groundwater rights in the northeastern portion of the Texas Panhandle. In the fiscal year ended September 30, 2000, the 1996 bonds were defeased by a portion of a new issue of revenue bonds (Series 1999) in the face amount of \$52,825,000. During April 2005, the member cities of CRMWA agreed to participate in two CRMWA debt issues. The first issue



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Water Authority Obligations (Continued)**

was the 2005 Contract Revenue Refund Series and was used to refund a portion of the Series 1999 issue. During 2010 this issue was refunded with bonds maturing in 2020. The City's share of the annual principal amount range from \$213,418 to \$521,567 providing for interest rates of 3.00% to 3.50%. At September 30, 2013, the City's portion of the outstanding remaining principal for the 2010 issue is \$2,203,866 and the City's portion of the 2005 Refunding bonds is \$10,724,248 with principal amounts ranging from \$601,054 to \$1,858,695 providing for interest rates of 4.00% to 5.00%.

In addition to defeasing the 1996 issuance, the proceeds of the new issue were used to fund the drilling of wells and installation of pipelines from the well fields to the existing CRMWA aqueduct system. While two of the eleven member cities elected to pay for their proportionate shares of these costs from their own resources, the City elected to participate in CRMWA's bond issuance. The City's portion of this bond issue was \$19,467,586. The City also participated in the 2005 Contract Revenue Series issued in the amount of \$48,125,000. The City's portion of this bond issue was \$19,467,586. The participating member cities desired to have level debt service payments. In order to keep the CRMWA debt service payments level, the City will only pay interest for the first ten years on the 2005 CRMWA contract revenue bonds. Thereafter, the other obligations will be paid off and the City will begin paying principal and interest on the 2005 CRMWA contract revenue bonds. On January 22, 2013, CRMWA issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 in the amount of \$39,505,000 for the advance refunding of the 2005 CRMWA Contract Revenue Series. The 2012 Refunding bonds will reduce total debt service payments over the next thirteen years by \$5,063,754 with Amarillo's share at \$2,443,576. The refunding resulted in an economic gain of \$4,259,006 with Amarillo's share at \$2,044,083. The City's outstanding portion of this bond issue is \$17,918,752 at September 30, 2013 with principal maturing annually through February 15, 2025 and interest ranging from 2.00% to 5.00%. In total, the payments to CRMWA will remain constant throughout the term of the various bond issues.

During 2006, the member cities of CRMWA agreed to participate in the 2006 CRMWA debt issue. The Contract Revenue Bonds, Series 2006 were issued in the amount of \$49,075,000. The City's proportionate share of this indebtedness is \$15,601,878 at September 30, 2013.

During November 2009, CRMWA issued debt in the amount \$21,105,000. The City participated in this issue and the City's proportionate share of this indebtedness was \$8,573,062. The City's portion of the annual principal payments range from \$268,606 to \$951,547 with interest rates of 3.00% to 5.00%. The City's proportionate share of this indebtedness is \$7,414,856 at September 30, 2013. Bonds are secured by a lien on the participating member cities' project payments.

During December 2011, CRMWA issued debt in the amount \$81,630,000 to fund the purchase of additional water rights in the Ogallala Aquifer. The City participated in this issue and the City's proportionate share of the bond issue was \$33,536,053. The bonds were issued at a premium and the City's proportionate share was \$3,091,199 with bond issuance cost of \$473,755. The City's portion of the annual principal payments range from \$649,625 to \$2,567,688 with interest rates of 4.00% to 5.00%. At September 30, 2013, the City's proportionate share of the outstanding indebtedness was \$31,547,122. Bonds are secured by a lien on the participating member cities' project payments.

The City increased Water and Sewer rates by 6% beginning October 1, 2011 and by 5% effective October 1, 2012 to help pay for the purchase of the Ochiltree County water rights and the City's portion of the CRMWA debt. The City increased rates effective October 1, 2013 by 2% to help pay for the 2013 and 2014 Water and Sewer Revenue bonds.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Summary Information - Long-Term Bonds and Contracts**

A summary of changes in the City's CRMWA debt for the year ended September 30, 2013, is reflected in the following table:

<b>Principal outstanding, October 1, 2012</b>	\$ 94,814,081
Refunded bonds	(19,467,586)
New bond issue	18,415,688
Principal maturities	<u>(5,363,183)</u>
<b>Principal outstanding, September 30, 2013</b>	88,399,000
Proportionate share of related reserves, unamortized issuance cost, and gain on refunding	(5,686,000)
Unamortized redemption discount/premium	<u>11,140,737</u>
<b>Net balances, September 30, 2013</b>	<u>\$ 93,853,737</u>

**Airport Bonds**

On September 3, 2009, the City issued \$16,140,000 Combination Tax and Revenue Certificates of Obligation Series 2009A bonds to help fund the terminal building project. The outstanding bonds mature annually through 2020 in principal amounts ranging from \$1,330,000 to \$1,830,000 and provide for interest rates ranging from 3.00% to 5.00%.

<b>Principal outstanding, October 1, 2012</b>	\$ 12,465,000
Principal maturities	<u>(1,330,000)</u>
<b>Principal outstanding, September 30, 2013</b>	11,135,000
Proportionate share of related unamortized issuance cost	(137,577)
Unamortized redemption premium	<u>873,469</u>
<b>Net balances, September 30, 2013</b>	<u>\$ 11,870,892</u>

**Drainage Utility Bonds**

On December 12, 2012 the City issued \$6,260,000 in Combination Tax and Drainage Utility Revenue Certificates of Obligations (COs). The 2012A issue is mainly for drainage improvements on Farmers Avenue. The 2012A bonds have a final maturity of August 15, 2032. The COs are subject to mandatory redemption in annual amounts ranging from \$320,000 to \$430,000 and provide for interest rates ranging from 1.00% to 2.00%. In addition to the tax pledge, the Drainage Utility COs have an unlimited net pledge of the Drainage Utility System of 1.25 times net revenue. The City intends to fund the debt entirely from the Drainage Utility and not levy a property tax for the COs. Thus, the debt is structured similar to the Water & Sewer revenue debt.

<b>Principal outstanding, October 1, 2012</b>	\$ -
New bond issue	6,260,000
Principal maturities	<u>(440,000)</u>
<b>Principal outstanding, September 30, 2013</b>	5,820,000
Proportionate share of related unamortized issuance cost	(68,205)
Unamortized redemption premium	<u>68,198</u>
<b>Net balances, September 30, 2013</b>	<u>\$ 5,819,993</u>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Summary Information - Long-Term Bonds and Contracts (Continued)**

Bond issues outstanding at September 30, 2013 are summarized in Table 7 below.

	Interest Rates	Final Maturity Date	Principal Amount Outstanding	Annual Principal Installments	
City of Amarillo indebtedness					
General Obligation debt					
Payable from tax revenues					
General Obligation Bonds, series 2009	2.00 - 5.00%	2022	3,785,000	355,000	– 485,000
Combination tax/revenue certificates of obligation, series 2007	4.00 - 5.25%	2027	20,600,000	1,070,000	– 2,000,000
Recovery Zone Build America Bonds, Series 2010	5.81%	2030	1,231,000	60,000	– 88,000
Payable from special assessments					
Combination tax/revenue certificates of obligation, series 2001	4.45%	2016	155,000	50,000	– 55,000
Combination tax/revenue certificates of obligation, series 2003	3.70%	2023	375,000	30,000	– 45,000
Combination tax/revenue certificates of obligation, series 2006	4.75%	2026	430,350	18,920	– 43,909
Combination tax/revenue certificates of obligation, series 2008A	4.28%	2028	495,000	25,000	– 45,000
Combination tax/revenue certificates of obligation, series 2008B	4.08%	2028	1,235,000	60,000	– 110,000
Payable from other sources					
Combination tax/revenue certificates of obligation, series 2011A	3.50 - 5.25%	2037	3,580,000	90,000	– 245,000
Combination tax/revenue certificates of obligation, series 2011B	3.50 - 6.00%	2032	2,070,000	75,000	– 170,000
Waterworks and Sewer Bonds					
2005 revenue issuance	4.00 - 5.00%	2019	7,550,000	1,110,000	– 1,415,000
2006 revenue issuance	4.00 - 4.50%	2032	8,815,000	315,000	– 655,000
2006A revenue issuance	4.25 - 4.375%	2027	9,370,000	1,010,000	– 1,350,000
2011 revenue issuance	2.00 - 4.125%	2031	14,855,000	615,000	– 1,150,000
2013 revenue issuance	0.01 - 0.85%	2023	1,310,000	125,000	– 135,000
Combination tax/revenue certificates of obligation, series 2009	.148 - 3.018%	2028	32,870,000	2,005,000	– 2,555,000
Combination tax/revenue certificates of obligation, series 2009B	.021 - 2.587%	2029	41,535,000	1,955,000	– 3,400,000
Combination tax/revenue certificates of obligation, series 2009C	0.00%	2031	16,290,000	905,000	– 905,000
General Obligation bonds series 2011	2.00 - 3.125%	2023	5,070,000	455,000	– 575,000
Airport Bonds					
Combination tax/revenue certificates of obligation, series 2009A	3.00 - 5.00%	2020	11,135,000	1,380,000	– 1,830,000
Drainage Bonds					
Combination tax/revenue certificates of obligation, series 2012A	1.00 - 2.00%	2032	5,820,000	320,000	– 430,000
Municipal Garage Bonds					
Combination tax/revenue certificates of obligation, series 2012B	1.00 - 1.25%	2018	2,330,000	460,000	– 475,000
Total City of Amarillo issuances			<u>190,906,350</u>		
Canadian River Water Authority indebtedness					
2005 refunding issuance	4.00 - 5.00%	2020	10,724,248	601,054	– 1,858,695
2005 revenue issuance	4.00 - 5.25%	2025			–
2006 revenue issuance	5.00%	2027	15,601,878	517,896	– 1,529,487
2009 revenue issuance	3.00 - 5.00%	2029	7,414,856	268,606	– 951,547
2010 refunding issuance (Conjunctive Use Groundwater)	3.00 - 3.50%	2020	2,203,866	213,418	– 521,567
2010 refunding issuance (BUREC)	3.00 - 3.50%	2018	2,988,278	477,745	– 941,547
2011 revenue issuance	4.00 - 5.00%	2031	31,547,122	649,625	– 2,567,688
2012 refunding issuance	2.00 - 5.00%	2025	17,918,752	303,325	– 3,348,405
Total City share of Water Authority indebtedness			<u>88,399,000</u>		
<b>Total bond issues outstanding</b>			<u>\$ 279,305,350</u>		

Table 7 – Description of Individual Bond Issues Outstanding

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Summary Information - Long-Term Bonds and Contracts (Continued)**

The annual requirements to amortize all bonds outstanding, including interest, are shown in Table 8 below.

For the Year Ended September 30,	Tax-Supported Debt		Special Assessment and Other Supported Debt		Water & Sewer Debt		Water Authority Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2014	\$ 1,485,000	\$ 1,223,887	\$ 356,067	\$ 374,479	\$ 7,490,000	\$ 3,157,712	\$ 5,095,527
2015	1,541,000	1,163,293	362,331	360,483	7,585,000	3,064,920	5,236,637	3,926,288
2016	1,607,000	1,098,945	383,659	346,150	7,700,000	2,956,157	5,427,428	3,683,694
2017	1,684,000	1,023,614	340,051	330,979	7,810,000	2,833,495	5,713,444	3,437,763
2018	1,750,000	952,719	356,509	317,717	7,960,000	2,697,553	6,323,654	3,188,379
2019-2023	9,561,000	3,449,682	2,002,029	1,367,462	42,580,000	10,885,037	31,452,571	11,674,692
2024-2028	7,814,000	1,065,025	2,104,704	915,403	44,665,000	5,359,069	23,212,191	4,182,094
2029-2033	174,000	8,370	1,525,000	437,813	11,875,000	643,096	5,937,548	446,047
2034-2038	-	-	910,000	98,700	-	-	-	-
	<u>\$ 25,616,000</u>	<u>\$ 9,985,535</u>	<u>\$ 8,340,350</u>	<u>\$ 4,549,186</u>	<u>\$ 137,665,000</u>	<u>\$ 31,597,039</u>	<u>\$ 88,399,000</u>	<u>\$ 34,701,940</u>

For the Year Ended September 30,	Airport Debt		Drainage Debt		Municipal Garage Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2014	\$ 1,380,000	\$ 495,125	\$ 415,000	\$ 99,500	\$ 460,000	\$ 24,488	\$ 16,681,594
2015	1,440,000	433,650	420,000	95,350	460,000	19,888	17,044,968	9,063,872
2016	1,510,000	362,025	425,000	91,150	465,000	15,288	17,518,087	8,553,409
2017	1,580,000	290,775	430,000	86,900	470,000	10,638	18,027,495	8,014,164
2018	1,655,000	215,900	245,000	82,600	475,000	5,936	18,765,163	7,460,804
2019-2023	3,570,000	174,787	1,275,000	338,100	-	-	90,440,600	27,889,760
2024-2028	-	-	1,385,000	206,900	-	-	79,180,895	11,728,491
2029-2033	-	-	1,225,000	62,100	-	-	20,736,548	1,597,426
2034-2038	-	-	-	-	-	-	910,000	98,700
	<u>\$ 11,135,000</u>	<u>\$ 1,972,262</u>	<u>\$ 5,820,000</u>	<u>\$ 1,062,600</u>	<u>\$ 2,330,000</u>	<u>\$ 76,238</u>	<u>\$ 279,305,350</u>	<u>\$ 83,944,800</u>

Table 8 - Annual Debt Service Requirements, Including Interest

On December 17, 2013 the City Council approved reimbursement resolutions for two new debt issues. The first debt issue is \$6,000,000 Drainage Utility Revenue Bonds. This issue is mainly for drainage improvements at Martin Road and Hillside Terrace. The second issue, Certificates of Obligation in the amount of \$2,650,000, is to purchase rolling stock for the City's Municipal Garage. As mentioned previously during the economic downturn the City delayed the replacement of rolling stock. This issue will allow the City to replace existing equipment. The City intends to issue master tax notes with a five year maturity. The funding for this issue will be from the Municipal Garage fund.

**Provision for Compensated Absences**

The City provides for its full-time employees annual leave of two, three, four or five weeks, depending upon years of service with the City. Up to 65 days of annual leave may be carried over to future years.

Uniformed police officers and firefighters are allowed 15 days of sick leave per year. Civilian, full-time employees are also allowed 12 days' sick leave per year. Employees whose date of hire is before December 29, 1988, may accumulate up to 90 days of sick leave to be paid in a lump sum upon termination of employment. Employees hired after December 29, 1988, must have ten years or more of service before benefits vest. Employees who are eligible to retire may convert accumulated sick leave

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Provision for Compensated Absences (Continued)**

benefits in excess of the eligible lump-sum termination amounts into an Individual Health Retirement account. Employees hired after September 30, 2007 may accumulate up to 60 days of sick leave and 30 days of annual leave, which will be eligible to be paid in a lump sum upon termination.

The obligation of the City with respect to vested benefits at September 30, 2013 under the annual leave policy was \$9,150,124, compensated time policy was \$927,084, and under the sick leave policy was \$10,387,344.

These obligations were recognized in the financial statements as summarized in the following tabulation:

	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Balances at October 1, 2012</b>	\$ 18,290,261	\$ 1,652,772
Terminations paid	(1,620,168)	(312,013)
Leave accrued	<u>2,171,995</u>	<u>281,705</u>
<b>Balances at September 30, 2013</b>	<u>\$ 18,842,088</u>	<u>\$ 1,622,464</u>

Of the above obligations, \$1,541,716 in the Governmental Funds and \$258,142 in the Proprietary Funds are estimated to be current. In prior years, the General Fund has liquidated the compensated absences liability related to governmental funds.

In 1997 the City established a debt service fund to provide for the portion of the liability applicable to the General Fund and certain special revenue funds. The net position in the fund at September 30, 2013 was \$9,956,537; \$741,361 of the obligation is funded in separate internal service funds and is accrued as a liability of these funds.

**Provision for Landfill Closure and Postclosure Care Costs**

The City owns a 662-acre rural site, which it operates for solid waste disposal purposes. Based on an amended permit issued by the Texas Commission on Environmental Quality dated August 22, 2007, the site has an estimated total capacity of 43,098,100 tons. It is estimated that 16.5% of the revised capacity was filled at September 30, 2013 and that the landfill has a projected remaining life of approximately 162 years at the current rate of usage. State and federal laws and regulations require the City to place a final cover on the site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The City's design plans divide the landfill site into 12 cells. Five cells, representing 258 acres with a total capacity of 17,541,300 tons or approximately 41% of the total site capacity, are currently open. It is estimated that at September 30, 2013, these five cells were approximately 40.5% full. The construction as well as the cost of wells, which have been installed for monitoring the underlying water table for any impact on it of ongoing landfill activities, were funded by waste collection and disposal revenues of the City's General Fund, and are included in capital assets of the governmental activities.

Governmental accounting standards require that, for periods beginning after June 15, 1993, governmental entities recognize an accrued liability for the estimated cost of equipment, facilities, and services for closure, and postclosure care expected to result in disbursements near or after the date that the facility stops accepting solid waste. The amount of the liability is based on what it would cost to have all such closure and postclosure care performed in the current year, and is assigned to periods based on cumulative landfill use. The City engaged an independent engineer who estimated the cost of final cover at \$8,145,871 for a 100-acre, two-cell segment. The estimated cost of monitoring the entire 662 acres during the statutory 30-year period is an additional \$1,780,200. Both computations were made in

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS (CONTINUED)**

accordance with regulations of the Environmental Protection Agency, which require that the estimates be based on the current cost of hiring third parties to perform the services. The actual cost of these functions, when performed in future years, may differ because of inflation, changes in technology, changes in environmental regulations, or performance of certain of the functions by City personnel and equipment. Considering the change in the Consumer Price Index (CPI) and the addition of the Transfer station, closure costs would be about \$10 million and post-closure costs would be about \$3 million for a total of \$13 million in today's dollars.

Based on the cumulative usage of 7,106,000 tons at September 30, 2013, together with the estimated 43,098,100-ton capacity of the landfill, the accrued liability consists of the following elements:

Provision for final cover costs	\$ 1,711,446
Cost of postclosure care and monitoring	<u>513,764</u>
<b>Total estimated accrued liability</b>	<b><u>\$ 2,225,210</u></b>

Under laws and regulations administered by the Texas Natural Resource Conservation Commission, owners and operators are required to provide financial assurances that the funds needed for the closure of landfills will be available when needed. The City has elected to meet this responsibility by demonstrating its compliance with the "local government financial test," which promulgates criteria regarding financial strength, public notice, and record-keeping and reporting. The City fulfilled the financial strength test by demonstrating a current Standard & Poors rating of AAA, together with a ratio of total annual revenues to the gross estimated cost of environmental obligations in excess of 100/43, together with meeting certain general conditions. It fulfills the public notice component by disclosure in this footnote, and fulfills the record-keeping and reporting component by submission of reports to the Texas Commission on Environmental Quality.

Long-term liabilities activity for the year ended September 30, 2013 was as follows:

	Balance Sept. 30, 2012	Amortization/ Accretion	Additions	Reductions	Balance Sept. 30, 2013	Due within One year
<b>Bonds payable:</b>						
<b>Governmental activities</b>						
General obligation bonds	\$ 4,130,000	\$ -	\$ -	\$ (345,000)	\$ 3,785,000	\$ 355,000
Recovery Zone Build America bonds	1,290,000	-	-	(59,000)	1,231,000	60,000
Tax-supported certificates of obligation	21,620,000	-	-	(1,020,000)	20,600,000	1,070,000
Unamortized debt issuance	(65,584)	3,138	-	-	(62,446)	-
Unamortized gain on refunding	(169,923)	13,585	-	-	(156,338)	-
Unamortized offering premium	372,673	(21,558)	-	-	351,115	-
Special assessment and other debt	8,680,210	-	-	(339,860)	8,340,350	356,067
Municipal Garage bonds	-	(5,691)	2,824,150	(460,000)	2,358,459	460,000
<b>Total governmental activities</b>	<u>35,857,376</u>	<u>(10,526)</u>	<u>2,824,150</u>	<u>(2,223,860)</u>	<u>36,447,140</u>	<u>2,301,067</u>
<b>Business-type activities</b>						
Water & sewer bonds	141,119,981	69,127	2,370,000	(7,290,000)	136,269,108	7,490,000
Water authority obligations	98,802,409	(141,610)	330,130	(5,137,192)	93,853,737	5,095,527
Airport bonds	13,288,789	(87,897)	-	(1,330,000)	11,870,892	1,380,000
Drainage Utility bonds	-	-	6,259,993	(440,000)	5,819,993	415,000
<b>Total business-type activities</b>	<u>253,211,179</u>	<u>(160,380)</u>	<u>8,960,123</u>	<u>(14,197,192)</u>	<u>247,813,730</u>	<u>14,380,527</u>
<b>Total</b>	<u>289,068,555</u>	<u>(170,906)</u>	<u>11,784,273</u>	<u>(16,421,052)</u>	<u>284,260,870</u>	<u>16,681,594</u>
<b>Other liabilities:</b>						
<b>Governmental activities</b>						
Compensated absences	18,290,261	-	2,171,995	(1,620,168)	18,842,088	1,541,716
Self-insurance liability	15,699,602	-	2,063,576	(151,444)	17,611,734	6,497,728
Provision for landfill and postclosure care costs	2,106,502	-	118,708	-	2,225,210	-
Postemployment benefits	74,568,830	-	17,873,257	-	92,442,087	-
Net pension obligation	4,804,502	-	12,185,052	(12,012,124)	4,977,430	-
<b>Total governmental activities</b>	<u>115,469,697</u>	<u>-</u>	<u>34,412,588</u>	<u>(13,783,736)</u>	<u>136,098,549</u>	<u>8,039,444</u>
<b>Business-type activities</b>						
Compensated absences	1,652,772	-	281,705	(312,013)	1,622,464	258,142
Other accrued expenses	3,109,196	-	-	(130,173)	2,979,023	-
Net pension obligation	759,813	-	-	(104,818)	654,995	-
<b>Total business-type activities</b>	<u>5,521,781</u>	<u>-</u>	<u>281,705</u>	<u>(547,004)</u>	<u>5,256,482</u>	<u>258,142</u>
<b>Total</b>	<u>120,991,478</u>	<u>-</u>	<u>34,694,293</u>	<u>(14,330,740)</u>	<u>141,355,031</u>	<u>8,297,586</u>
<b>Total long-term liabilities</b>	<u>\$ 410,060,033</u>	<u>\$ (170,906)</u>	<u>\$ 46,478,566</u>	<u>\$ (30,751,792)</u>	<u>\$ 425,615,901</u>	<u>\$ 24,979,180</u>

For the governmental activities, compensated absences, postemployment benefits and net pension obligation are generally liquidated by the General Fund.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 12 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The following tabulation reflects the composition of interfund balances at September 30, 2013.

<u>Receivable Fund</u>		<u>Payable Funds</u>	
General Fund	\$ 984,995	Internal Service	\$ 2,621
		Capital Projects	15,000
		Nonmajor Govt. Funds	<u>967,374</u>
	<u>\$ 984,995</u>		<u>\$ 984,995</u>
Nonmajor Govt. Funds	\$ 148,949	General Fund	\$ 75,100
		Nonmajor Govt. Funds	<u>73,849</u>
	<u>\$ 148,949</u>		<u>\$ 148,949</u>
Internal Service Funds	\$ 176,145	General Fund	\$ 1,323
		Internal Service	172,450
		Nonmajor Govt. Funds	<u>2,372</u>
	<u>\$ 176,145</u>		<u>\$ 176,145</u>
Proprietary Funds	\$ 250,000	Internal Service	<u>\$ 250,000</u>
	<u>\$ 250,000</u>		<u>\$ 250,000</u>

All transactions between funds represent "due to/from other funds" caused by cash from one fund paying for expenditures or expenses of another. The City did not incur transactions between funds that would represent lending/borrowing arrangements outstanding at the end of the fiscal year.

The following tabulations summarize interfund cash transfers made during the year:

<u>Transfers Out Fund</u>		<u>Transfers In Fund</u>	
General Fund	\$ 9,740,541	Capital Projects	\$ 9,518,404
		Nonmajor Govt. Funds	132,473
		Internal Service	<u>89,664</u>
	<u>\$ 9,740,541</u>		<u>\$ 9,740,541</u>
Capital Projects	\$ 1,690,291	General Fund	\$ 50,800
		Nonmajor Govt. Funds	253,238
		Internal Service	635,313
		Proprietary	11,026
		Capital Projects	<u>739,914</u>
	<u>\$ 1,690,291</u>		<u>\$ 1,690,291</u>
Nonmajor Govt. Funds	\$ 634,507	General Fund	\$ 12
		Capital Projects	87,711
		Internal Service	21,469
		Proprietary	1,000
		Nonmajor Govt. Funds	<u>524,315</u>
	<u>\$ 634,507</u>		<u>\$ 634,507</u>
Proprietary Funds	\$ 684,381	Internal Service	\$ 683,381
		Nonmajor Govt. Funds	<u>1,000</u>
	<u>\$ 684,381</u>		<u>\$ 684,381</u>
Internal Service	\$ 189	General Fund	\$ 189
	<u>\$ 189</u>		<u>\$ 189</u>

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 12 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations. The due to/from balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

**NOTE 13 - WATER SUPPLY CONTRACT**

The City's water is supplied by a series of underground wells, together with water that is purchased from CRMWA.

CRMWA is a water district that was created in 1953 by the Texas legislature for the purpose of supplying water from the Canadian River to eleven cities that wished to participate in its activities. A board of nineteen individual board members, two of whom are selected by the City, governs the affairs of the District.

CRMWA was originally created for the purpose of operating a dam, which had been constructed on the Canadian River approximately 35 miles northeast of Amarillo, the related water reservoir known as Lake Meredith, and an aqueduct system for the purpose of transporting the surface water to the member cities. The construction was performed under the direction of the U.S. Bureau of Reclamation. Prior to construction, each of the member cities was allotted a portion of the water rights together with a proportionate share of the cost of the dam based on its contractual share of the water and a share of the aqueduct costs based on its water allocation and distance from the reservoir.

In 1996 CRMWA initiated a project to purchase and develop underground water rights in the northeastern portion of the Texas Panhandle to supplement CRMWA's available surface water. Water is transported from the well fields to be mixed with the lake water before entering the aqueduct system. Water deliveries of the well water to the member cities began in December 2001.

Each city is assessed for operating costs, which are accounted for by the City as an operating expense. Each member may sell part or all of its rights under the contract to other members of the aqueduct system.

The last audited financial statements of CRMWA, as of September 30, 2013 and for its fiscal year then ended, reflect the following:

<b>Assets</b>	
Cash and cash equivalents	\$ 15,276,104
Due from member cities and other receivable	10,979,308
<b>Deferred Outflows of Resources</b>	<b>1,922,918</b>
<b>Debt Service Funds</b>	
Restricted cash and cash equivalents	22,160,251
Due from cities	188,284,997
Property, plant and equipment, net of accumulated depreciation	331,468,996
<b>Liabilities and Deferred Revenues</b>	
Current liabilities	14,526,936
Noncurrent liabilities	<u>210,141,260</u>
<b>Net Position</b>	<b><u>\$ 345,424,378</u></b>



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 13 - WATER SUPPLY CONTRACT (CONTINUED)**

<b>Revenues</b>		
User assessments for operations	\$	13,121,507
<b>Expenditures</b>		
Operating expenses		15,651,757
<b>Other Financing Sources (Uses)</b>		
Net contributions from member cities		—
Nonoperating revenues (expenses)		(345,098)
Transfer		<u>(2,070,000)</u>
<b>Net Increase (Decrease) in Net Position</b>	<b>\$</b>	<b><u>(4,945,348)</u></b>

CRMWA's debt consists of the approximately \$6.5 million related to bonds issued to refund the construction obligation to the Bureau of Reclamation and \$198.8 million related to the underground water project. The CRMWA's annual debt services requirements, including interest, range from \$6.5 million to \$20.9 million with final repayment in 2031. Because certain member cities elected to fund their proportionate shares of these costs on a separate basis, and the City's contractual share of the available lake water is 37.058% and 40.621% of well water. The City's share of this debt is approximately \$88.4 million. The City's contractual water rights and its proportionate shares of CRMWA's various debt obligations are accounted for as assets and liabilities of its Water and Sewer System.

Because the cities that are members of the aqueduct system have the right to elect members of the governing Board, this arrangement has one of the attributes of a joint venture. However, the City has not reported this contract as a joint venture for the following reasons:

- CRMWA was created by the State of Texas and is a subdivision thereof, as opposed to having been created by the members of CRMWA.
- The City has no vested rights in the assets of CRMWA, nor responsibility for its liabilities other than its proportionate share of the contractual construction obligations.
- The affairs of CRMWA are accounted for on a "financial flow" measurement focus, which is not consistent with the measurement focus required for the water and sewer enterprise fund.

**NOTE 14 - HARRINGTON LIBRARY CONSORTIUM**

The City is a member, as well as the fiscal agent, of a library consortium comprised of itself together with the Amarillo Junior College District and Amarillo Independent School District. The Consortium's purpose is to maintain a computer-based, online automated system to enhance the delivery of library information services to the citizens of the Panhandle of Texas. It provides a bibliographic database, an online catalog system, intralibrary and interlibrary circulation systems, and similar services to citizens through their local libraries. The Consortium is governed by a six-member council comprised of the chief administrator of the library services for each member, the chairmen of two of its committees and a representative of the Harrington User Group.

The original funding for the Consortium was a grant from a local charitable organization, the Harrington Foundation. Continuing operations are financed through user fees from the members and from subscribing libraries in the region. During the year ended September 30, 2013, the Consortium served approximately 100 libraries in addition to its members. The condensed financial statements of the Consortium at September 30, 2013 and for the year then ended are summarized in the table below.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 14 - HARRINGTON LIBRARY CONSORTIUM (CONTINUED)**

**Balance Sheet**

Capital assets, net of depreciation	\$ 23,804
Cash and other assets, net	842,086
Current liabilities	<u>(54,866)</u>
Net position	<u>\$ 811,024</u>

**Revenues**

Operating revenues	\$ 364,165
Nonoperating revenues	<u>61,341</u>
Total revenues	425,506

**Expenses**

Operating expenses	<u>529,363</u>
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<b>Change in net position</b>	<u>\$ (103,857)</u>
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**NOTE 15 - CONTINGENCIES AND RISK MANAGEMENT**

**Self-Insurance and Risk Management**

The City's insurance coverage consists of self-insured programs supplemented by certain commercial insurance policies maintained with various carriers. The City's insurance and self-insurance programs are administered by a risk-management committee comprised of selected City management personnel. Each type of potential claim is discussed below.

The City of Amarillo has a blanket all risk property insurance policy. While the sum of the scheduled values is the policy limit, the blanket feature allows this limit to be used for one occurrence. Thus, if a property's scheduled value was not sufficient to cover a loss, the entire blanket would be used to cover the loss. The policy also treats rolling stock and vehicles as contents when on premises. The schedule of values and the coverage have been increasing over the last three years as property is added to the schedule, and replacement values have increased with increases in construction costs. Settlements of insurance have not exceeded coverage in the past three years.

**Health and Accident:** The City self-insures medical benefits for employees, retirees, and their covered dependents. The City purchases stop-loss coverage for specific claims over \$750,000. The specific coverage stops at \$4,250,000.

**Property:** Property insurance is maintained with commercial carriers, with a self-insured retention per occurrence of \$250,000. Total blanket coverage for all buildings and contents including terrorism coverage is \$871,868,996. The property insurance policy also includes \$100 million in flood and earthquake coverage and has a Terrorism endorsement.

The City has an endorsement to its property insurance coverage for Boiler and Machinery (explosion and damage). Insurance is maintained with commercial carriers to the extent of \$50,000,000 potential liability. The City has incurred no losses with respect to this risk.

**Automobile Liability and Physical Damage:** The City has elected to fully self-insure these risks.

**Workers' Compensation:** City employees are entitled to statutory workers' compensation benefits. The City has a per accident self-insurance retention of \$1 million per occurrence with statutory limits. The Excess Workers' Compensation and Employers' Liability Indemnity Policy was purchased to cover a major accident. Historically, the City has had one claim that exceeded \$1 million self-insurance retention.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 15 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)**

**Self-Insurance and Risk Management (Continued)**

**General Liability:** The City has elected to self-insure public official, professional, and general liability contingencies to the full extent of its statutory limits. Additionally, no insurance is carried for crime or burglary losses or employee dishonesty, except for the minimal bonds required by law.

**Police Officer Liability:** The City has purchased Police Officer Liability Insurance with a \$100,000 deductible per occurrence and annual aggregate coverage of \$16 million. This new coverage would be sufficient to cover our largest claim. The City's largest claim has been a \$5 million Police Liability Claim which was settled in FY 2004.

**Unemployment Benefits:** The City fully self-insures unemployment benefits, reimbursing the Texas Workforce Commission for claims on the basis of quarterly reports.

Two internal service funds are used to account for the transactions associated with the various risks.

**Employee Insurance Fund:** All full-time employees are provided with health insurance and \$10,000 life insurance in the City's basic benefit package. Full-time employees can add dependents for health and life coverage. Retirees are also allowed to retain their health insurance, including dependent coverage after retirement along with the basic \$10,000 life insurance benefit. While the City pays for the majority of the health insurance benefit, the employee is also required to participate in the cost of the program.

Additional group life insurance is also available, but solely at the employee's expense. The City has a third-party carrier for the life insurance benefit. The City currently has specific stop loss coverage with a \$750,000 annual deductible, but is essentially self-insured for employee and retiree health coverage.

The Employee Insurance Fund is used to account for the collection of employer and employee contributions, and for payments of claims and insurance premiums. The City covers most of the cost of employee only coverage and contributes to spouse and family coverage. Retirees contribute based on their service with the City and retiree rates are also subsidized by the City. Liabilities are presented at the estimated amounts of incurred losses outstanding, without discounting.

Employees have up to one year after services are rendered in which to present their claims for reimbursement. The estimated current liability at September 30, 2013 related to incurred but not reported (IBNR) claims was \$2,984,474. The IBNR estimate was computed by management based on historical patterns and reference to previous actuarial estimates. An actuarial study of the IBNR claims of the employee insurance fund was done as of September 30, 2012. Management's estimate of the liability by the City was within recommended liability and funding ranges of that study. A provision is also made for estimated future costs of known loss events. This provision at September 30, 2013, was \$2,062,949 and was calculated by management based on historical costs associated with similar health conditions. The postemployment liability at September 30, 2013 was \$92,442,087. The postemployment health benefit adjustment was \$17,873,257, which includes the annual required contribution of \$23,000,970 plus interest of \$2,982,753, less an adjustment to the annual required contribution of \$3,021,894 and less the pay-as-you-go cost of \$5,088,572.

After providing for incurred losses, the Employee Insurance Trust had net position of \$(86,338,775) at September 30, 2013. Included in the net asset calculation is the adjustment discussed in the previous paragraph for postemployment health benefits as required by Governmental Accounting Standards No. 45. This adjustment is \$17,873,257 for the 2012/13 fiscal year.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 15 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)**

The following tabulation reflects changes in the estimated aggregate liabilities for incurred losses of the Employee Insurance Fund:

	<u>2013</u>	<u>2012</u>
<b>Estimated liabilities at beginning of year</b>	\$ 78,888,605	\$ 61,899,932
Postemployment health benefits annual required contribution	22,961,829	21,982,334
Postemployment health benefits pay-as-you-go cost	(5,088,572)	(4,367,187)
Claims during year and changes in estimates	19,636,414	16,446,326
Payments during year	<u>(18,908,766)</u>	<u>(17,072,800)</u>
<b>Estimated liabilities at end of year</b>	<u>\$ 97,489,510</u>	<u>\$ 78,888,605</u>

**Risk Management Fund**

The transactions related to risk areas other than employee health are accounted for in the Risk Management Fund, which is funded through assessments to City departments at rates developed by reference to the actuarial studies of the self-insurance fund together with estimates of the charges by private insurers for similar coverages. Risks considered included general and airport liability, boiler and machinery, police, auto, and excess liability; workers compensation; unemployment; crime/fidelity/burglary; property insurance deductibles and various other risk groups.

Actuarial studies of the Fund are made at least biennially. The actuary's methodology includes review of the City's historical experience with respect to each type of risk, together with insurance industry patterns and any amendments to the state workers' compensation laws.

An actuarial study of the self-insurance liability was done as of September 30, 2012. Management's estimate of the liability by the City was within recommended funding ranges of that study. Management estimated the liability for incurred losses at September 30, 2013 to be \$12,564,311.

The City is self-insured for most exposures. The most significant risk assigned to third-party carriers is the property insurance coverage in excess of the \$250,000 retention. The City also carries Excess Workers' Compensation and Employers' Liability Indemnity insurance with self-insurance retention of \$1 million.

The following tabulation reflects changes in the estimated aggregate liabilities for incurred claims of the Risk Management Fund:

	<u>2013</u>	<u>2012</u>
<b>Estimated liability at beginning of year</b>	\$ 11,379,827	\$ 11,652,883
Claims during year and changes in estimates	3,522,212	2,460,293
Payments during year	<u>(2,337,728)</u>	<u>(2,733,349)</u>
<b>Estimated liability at end of year</b>	<u>\$ 12,564,311</u>	<u>\$ 11,379,827</u>

**Litigation**

The City has been named as defendant in a number of other lawsuits or complaints arising out of the ordinary course of conducting its operations. While several of these claims ask for the full amount allowed by state statute, it has been the City's experience that such actions, if pursued, result in losses of amounts substantially less than the claimed amounts. These complaints are similar to complaints resolved in prior years, which settlements comprise the City's historical experience that formed the basis for the actuarial determination of the estimated liability for presented and unrepresented claims payable at September 30, 2013.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 15 - CONTINGENCIES AND RISK MANAGEMENT (CONTINUED)**

**Pollution Remediation Obligation**

Upon completion of the Hollywood Road Wastewater Treatment in the 1960s, the City of Amarillo began to discharge treated effluent into an on-site playa lake. This practice was in full conformance with all environmental regulations, was conducted under a lawfully issued State of Texas environmental discharge permit, and was subject to regular monitoring and reporting standards. Over time, a sub-surface plume of water developed under the playa lake and has since slowly migrated outward. This plume is comprised of water that contains a chloride level that is higher than the native groundwater in the area.

The City ceased pumping treated effluent into the playa and the chloride content of the plume, both originally and currently, is below the federal and state limits for potable water. In fact, the water in the plume is of equal or better quality than that in the City's potable water system, which is rated "Superior" by the Texas Commission on Environmental Quality.

As the plume migrated outward, it has seeped into some domestic water wells near the facility. Due to this, the City has historically conducted a voluntary monitoring program of the nearby domestic wells and continues to do so at this time. If this monitoring detects chloride content in a well that is higher than the native groundwater, the City then either re-works the existing well, replaces it with a new well constructed to current standards, or provides a reverse osmosis treatment system based on the homeowner's preference.

Management believes that GASB 49 does not apply in this instance since there has been no actual pollution by any legal definition of the term. However, the City intends to continue the practice of monitoring the plume, providing replacement wells and treatment systems and pursuing options for remediation in the future. The City has recorded a liability of \$3.1 million to continue the voluntary monitoring and well replacement program throughout this fiscal year. The estimated amount could change in the future as the City evaluates various alternatives.

**Federal and State Grant Programs**

The City participates in numerous federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required.

**NOTE 16 - CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued industrial revenue bonds to provide financial assistance in private-sector entities for the acquisition and construction of commercial and health facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayments of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

While the outstanding principal amount could not be determined, the original issues were as follows:

<u>Issues</u>	<u>Number of issues</u>	<u>Original issue amounts</u>
Amarillo Health Facilities Corporation	1	\$ 3,155,000
Amarillo Housing Finance Corporation	1	<u>10,000,000</u>
		<u>\$ 13,155,000</u>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 17 - AMARILLO HOSPITAL DISTRICT**

**Significant Accounting Policies**

*Financial Reporting Entity*

The financial reporting entity represents a political subdivision of the State of Texas and a component unit of the City. Its fiscal year coincides with that of the City.

On May 7, 1996, the Amarillo Hospital District (District) sold its hospital facilities to a private hospital management company for approximately \$121,000,000 and discontinued assessing ad valorem taxes for hospital purposes. With the exception of continuing the operations of a pediatric-specialty, nonprofit entity until 2000, the functions of the District since the sale of the hospital facilities have consisted primarily of investing the sales proceeds for future hospital purposes and funding indigent care costs. The employee pension plan is held for payment of future benefits as former employees meet applicable retirement requirements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The District follows the provision of Governmental Accounting Standards Board Statement No. 34. While it is no longer engaged in hospital operations, it continues to use the accounting principles applicable to enterprise funds.

The District follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investment Pools*, which provides that investments generally are reported at fair value, and changes in fair value are recognized as revenue.

Additionally, the District follows GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as amended by GAS No. 50, *Pension Disclosures*. Accordingly, its pension expense is recognized on the accrual basis.

The District has self-insured claims arising from professional malpractice.

**Agreements with Respect to Hospital Sale**

On May 7, 1996, the District sold its physical plant, patient receivables, and other operating assets to a for-profit, hospital-management company which assumed all of its hospital operations, as well as responsibility for healthcare services to indigent and needy persons within the District. The total sales proceeds were approximately \$121 million.

In return, the District will make indigent care payments to the buyer, payable in quarterly installments, for the next 25 years. The payments were \$8,000,000 per year through May 1999. Thereafter, through May 2006, payments varied between \$6,000,000 to \$8,000,000 per year, adjusted for inflation. Subsequent to May 2006, the payments per year will generally be equal to the lesser of the payments per year made in 2005 or 2006. For the years ended September 30, 2013 and 2012, the District recognized approximately \$5,337,000 and \$5,241,000, respectively, in indigent care expenses relating to the agreement.

The District currently collaborates with Northwest Texas Healthcare System to ensure both parties best allocate their resources for the provision of care to the low income and needy residents in their community. As part of this collaboration, Northwest has proposed that the District fund payments to Northwest under the Medicaid upper payment limit program ("Medicaid UPL"). On November 9, 2006, the District temporarily suspended the "Indigent Care Agreement," dated May 7, 1996 for the period from

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 17 - AMARILLO HOSPITAL DISTRICT (CONTINUED)**

**Agreements with Respect to Hospital Sale (Continued)**

November 9, 2006 through November 8, 2008 and replaced it with the an almost identical agreement called the Health Care Services Agreement (HCA). The District remitted approximately \$12,712,000 on November 20, 2006 to fund the Medicaid UPL program. The original agreement has been extended twenty times and as of September 30, 2013 is prepaid through August 8, 2016. The District has provided \$55.7 million in funding to the Medicaid program versus \$67.7 million in indigent care payments that would have been due under the contract.

On October 29, 2013, the District extended the agreement through November 8, 2016 with a payment of \$1,360,000.

**Waiver under Section 1115 of the Social Security Act**

The District has agreed to participate in a waiver under Section 1115 of the Social Security Act that is designed to build on existing Texas health care reforms and to redesign health care delivery in the state administered through the Amarillo Department of Public Health. The waiver consists of two components: the Uncompensated Care (UC) program and the Delivery System Reform Incentive Payments (DSRIP) program, which is a five-year program and is currently in its second year. The only requirement in year one is to submit a plan, while years two through five require process and outcome metrics. Public Health received \$423,000 for year one.

**Deposits and Investments**

The District's funds are required to be invested in accordance with the Public Funds Investment Act. Bank deposits are collateralized by FDIC insurance or by pledged collateral. Governmental accounting standards require the categorization of investments to give an indication of the level of risk assumed. Based on the applicable criteria, a summary of the District's investment securities at September 30, 2013 are as follows:

	<u>Fair Value</u>			<u>Weighted Average Maturity (Years)</u> (excluding securities lending)
	<u>Unrestricted Assets</u>	<u>Restricted Assets</u>	<u>Total</u>	
Investment Securities				
U.S. Treasury obligations	\$ 10,871,118	\$ -	\$ 10,871,118	3.43
U.S. Government and government-sponsored agencies	165,047,605	-	165,047,605	18.52
Municipal bonds	11,155,491	-	11,155,491	6.55
Total investment securities	187,074,214	-	187,074,214	8.57
No-load U.S. Treasury-only mutual funds	4,249,378	-	4,249,378	-
Total investments	191,323,592	-	191,323,592	8.38
Deduct: Cash equivalents	(4,249,378)	-	(4,249,378)	-
<b>Net investments for financial reporting</b>	<b>\$ 187,074,214</b>	<b>\$ -</b>	<b>\$ 187,074,214</b>	<b>8.57</b>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 17 - AMARILLO HOSPITAL DISTRICT (CONTINUED)**

**Property Taxes**

The District is co-extensive with the City, and the assessed valuations that have formed the basis for its tax roll have been the same as that of the City. The assessment of ad valorem taxes ceased in 1996 with the sale of the facilities. Ad valorem tax revenue of \$5,410 for the year ended September 30, 2013 represents collections of delinquent taxes.

**Tobacco Settlement**

During 1998 the State of Texas settled litigation against certain tobacco manufacturers, which entitles political subdivisions with legal responsibility for providing indigent healthcare services to a portion of the settlement proceeds. As a result of the settlement, in 1998 the District received a distribution of approximately \$2.9 million based on a per capita calculation (1990 federal census). Subsequent distributions have been made based on each subdivision's total unreimbursed indigent healthcare expenditures for the calendar year immediately preceding the year of distribution. As the various calculations are not determinable by the District, these revenues are not accrued. In 2013 and 2012 the District received approximately \$209,000 and \$279,000, respectively, in tobacco settlement funds.

**Employee Retirement Benefits**

Substantially all full-time employees of the District had been eligible for participation in the pension plan, which is a single-employer, noncontributory plan. Upon the sale of the Hospital in 1996, the employee pension plan was "frozen."

An actuarial valuation performed as of October 1, 2012 reflected an actuarial accrued liability of \$29,385,126 and net position available for benefits, at "smoothed" market, of approximately \$17,190,249, resulting in an unfunded liability of \$12,194,877. Significant actuarial assumptions used in the valuations include a rate of return on investments of 8%. Compensation increases do not apply due to the plan being frozen. For the year ended September 30, 2013, the District made a contribution of \$2,000,000 to the plan.

Participants vested 100% upon completion of five years of service and vested participants are entitled to benefits upon retirement or upon termination of employment after 20 years of service. Upon sale of the Hospital, as described above, substantially all employees of the District were offered employment with the buyer or, with respect to certain public health functions, the Health Department of the City, both of which alternatives are considered to be a continuation of employment for purposes of defining retirement or termination. At October 1, 2012, the plan had 193 participants classified as "active" under this provision, although the plan was "frozen" as it relates to District participants, as well as 383 retirees and 235 terminated employees entitled to, but not receiving benefits.

It is anticipated that the plan's assets will be held intact to fund retirement benefits as determined under this plan when the vested participants separate from service with the successor employers. The District is responsible for the pension plan and intends to make annual contributions at least equal to the actuarially determined contribution requirements to the plan.

**Commitments and Contingencies**

Although the District sold the Hospital on May 7, 1996, it retained the responsibility for certain claims as of the date of sale. The District self-insures substantially all of the important risks.

In accordance with the limited liability provisions of the Texas Tort Claims Act, the District may be liable for settlement of malpractice claims up to a limit of \$100,000 per person. Claims have been made



**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 17 - AMARILLO HOSPITAL DISTRICT (CONTINUED)**

**Commitments and Contingencies (Continued)**

alleging malpractice arising out of the ordinary course of business, and such litigation is in various stages of progress. The District self-insures for claims arising from professional malpractice.

It is the opinion of management that estimated self-insurance costs, including known claims and reserves for incurred but not reported claims, are adequate to provide for potential claims.

Northwest Texas Healthcare System (Northwest) and Northwest's affiliate, Amarillo Clinical Services, Inc. (ACS), provide the tobacco prevention services and the pediatric sub-specialty care services in the community. ACS provides pediatric sub-specialty care through an arrangement with Texas Tech. Northwest provides tobacco prevention and control services through a contract with the America Cancer Society. The District has approved a resolution to make monthly payments on behalf of NWTX to the Medicaid program of \$123,284 through September 30, 2013.

**Financial Statements**

The District's financial offices were closed upon the sale of the hospital, and its Board selected the City of Amarillo as its fiscal agent. Accordingly, the separately issued financial statements for this entity and for its pension trust may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105

**NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION**

**Significant Accounting Policies**

*Operations*

Amarillo Economic Development Corporation (AEDC) was created by the City in 1990 under provisions of the Development Corporation Act of the State of Texas. Its operations are financed by the proceeds of a 1/2-percent economic-development, sales tax. It is governed by a five-member Board of Directors appointed by the City Council. The City serves as fiscal agent for AEDC, providing such services as accounting, investment, and management information services.

Because of the City's excellent mid-continent location and its year-around flying weather, together with the availability of the land and improvements of a former U.S. Air Force Strategic Air Command base, many of the early projects of AEDC have focused on the City's International Airport. As one of its first economic development projects, AEDC issued sales tax revenue bonds to fund the construction of a hangar on ground leased from the City's Airport. The hangar is capable of accommodating a Boeing 747 airplane and is being leased to a qualifying private enterprise. Additional other leases have been entered into involving existing hangars, nearby buildings and construction of facilities.

Other projects have taken the form of grants or interest waivers on loans to industrial enterprises based on meeting targeted, job-creation levels, as well as grants and contracts supporting research and promotional activities.

**Measurement Focus, Basis of Accounting, and Financial Statement Preparation**

The AEDC's fiscal year coincides with that of the City. AEDC follows the provisions of Governmental Accounting Standards Board Statement No. 34. Accordingly, it presents government-wide financial statements using accounting principles similar to those used by commercial enterprises.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Preparation (Continued)**

Investments are valued at fair market value. Grants are generally recorded as expenses and liabilities at the time of the awards. Grants subject to significant performance criteria are recorded when the funds are disbursed or the criteria satisfied, whichever is earlier.

The maximum potential job creation credits available against loan interest are recognized as development expense in the period in which the loans are made. Development notes receivable are reported at their stated principal amounts, reduced by the estimated effect of the potential interest waivers as well as by an allowance for uncollectible amounts. Direct financing leases are reported at the lower of the Corporation's investment in the property or the present value of the future minimum lease payments to be received plus the estimated residual value of the leased property. Income from finance leases is credited to income based on a constant periodic rate of return on the net investment in the lease.

Property and equipment are recorded at cost, and donated property is recorded at fair value at date of receipt. Property and equipment consists primarily of hangars and related improvements located at the City's airport, as to which the estimated useful lives are 30 years. Depreciation is provided on the straight-line method. Assets restricted by interest and sinking fund indenture agreements are segregated, and are presented as restricted assets.

**Deposits and Investments**

The AEDC's cash and investments are managed by the City, which accounts for its liquid assets and its receipts and disbursements as one of its agency funds. The AEDC's uninvested cash is held in the City's depository in the City's name as agent for AEDC. All such cash is insured by the Federal Deposit Insurance Corporation and other insurers.

The AEDC's investments are administered by City management under terms of an investment policy and strategy that has been updated to conform to the latest amendments to the Texas Public Funds Investment Act.

A summary of the AEDC's investment securities at September 30, 2013 is as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
<b>Investments</b>		
U.S. Treasury	\$ 10,831,180	—
Money market mutual funds	<u>8,250,000</u>	<u>0.27</u>
Total investments at fair value	19,081,180	0.27
Deduct: Classified as cash equivalents for financial reporting	<u>(10,831,180)</u>	—
<b>Net investments</b>	<u>\$ 8,250,000</u>	<u>0.27</u>

**Economic Development Loans**

As one type of economic development project, the AEDC has made a number of loans to industrial enterprises under arrangements that waive up to 100% of the stated interest on such loans if job creation targets are met. These maximum allowances are recognized as development expenses in the period in which the loans are made. In addition to interest waivers, a provision has been made for uncollectible loans, including amounts related to the individual credits based on managements' analysis, as well as a provision for unidentified risks.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Economic Development Loans (Continued)**

An analysis of loans and the related valuations allowances at September 30, 2013 are as follows:

Principal balances	\$ 7,584,105
Allowance for uncollectible accounts	<u>                  —</u>
<b>Loans, net of allowances</b>	<b><u>\$ 7,584,105</u></b>

Interest accrued and receivable on loans is \$1,844,951 at September 30, 2013.

**Direct Financing Leases**

In August 1998, Bell Helicopter, the world's leading producer of helicopters, announced its selection of Amarillo as the site for its new tiltrotor helicopter plant, based partly on incentives offered by AEDC. The incentive package includes manufacturing facilities financed by AEDC sales-tax-backed bonds up to a total amount of \$34 million, as well as industrial revenue bonds up to a total amount of \$8 million, plus cash of up to \$5 million for site acquisition and employee training and relocation. Bell's obligations under a lease agreement are sufficient to service the construction debt, but if job creation goals are met, the resulting incentive credits could fully discharge Bell's payment obligations. As of September 30, 2013, AEDC had increased the total funding capacity under the location incentive agreement to approximately \$120 million.

In the 1999 fiscal year, approximately 65 acres of land adjacent to the City's airport were acquired for Phase I of this project, and construction of a hangar and an aircraft assembly building was begun. The first building was completed in May 1999, and the second building was completed in March 2000. The rental term for this phase of the project is 20 years, coinciding with the term of sales tax revenue bonds in face amount of \$23,430,000 sold in order to fund the construction. The rental amount is to be the levelized debt service on the bonds. The resulting annual rentals, in the amount of \$2,163,503, were waived during the first year and, as noted above, subsequent annual rentals could be fully waived if job creation goals are met. At the end of the 20-year lease term, Bell Helicopter has the option to purchase the buildings and underlying land for \$1. At September 30, 2013, AEDC's net investment in this lease was \$9,779,175.

In fiscal year 2005, an expansion to the aircraft assembly building was completed for a total cost of \$10,570,000. The rental term for this project is 20 years, beginning on the date the lease commenced. The resulting annual rentals, in the amount of \$528,500 could be fully waived if job creation goals are met. At September 30, 2013, AEDC's net investment, less discount for jobs credits, in this lease was \$4,270,928.

The expansion to the Hanger was completed for a total cost of \$14,234,368. The lease for this project commenced on January 1, 2006. The rental for this project is 20 years, beginning on the date the lease commenced. The resulting annual rentals, in the amount of \$711,718, could be fully waived if job creation goals are met. At September 30, 2013, AEDC's net investment in this lease, less discount for jobs credits, was \$6,235,448.

Phase IV of the project was completed for a total cost of \$15,028,921. The lease for this project commenced on January 1, 2006. The rental term for this project is 20 years, beginning on the date the lease commenced. The resulting annual rentals, in the amount of \$751,446, could be fully waived if job creator goals are met. At September 30, 2013, AEDC's net investment in this lease, less discount for jobs credits, was \$6,531,225.

**CITY OF AMARILLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year Ended September 30, 2013**

**NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Direct Financing Leases (Continued)**

In fiscal year 2009, Phase VI was completed for a total cost of \$22,242,454. The lease for this project commences on January 1, 2010. The rental term for this project is 20 years, beginning on the date the lease commences. The resulting annual rentals in the amount of \$1,884,509 could be waived if job creation goals are met. At September 30, 2013, AEDC's net investment in this lease, less discount for job credits, was \$20,925,372.

In fiscal year 2011, a project was completed for a total cost of \$31,749,325. The lease for this project commences on June 14, 2011. The rental term for this project is 20 years, beginning on the date the lease commenced. The resulting annual rentals in the amount of \$2,811,214 could be fully waived if job creation goals are met. At September 30, 2013, AEDC's net investment in this lease, less discount for job credits, was \$29,905,059.

Additionally, in fiscal year 2006, AEDC acquired another 98.6 acres of adjacent land for future expansion, at a total cost of \$782,540. In accordance with the terms of the incentive package, this land together with any improvements thereon will be subject to a purchase option at a nominal amount after redemption of any bonds issued for related construction.

The AEDC has two other direct financing leases, with a total carrying value of \$6,858,178 as of September 30, 2013. Future noncancelable commitments of the tenants under these arrangements are as follows:

<u>Year ending September 30</u>	<u>Bell Helicopter</u>	<u>Other</u>
2014	\$ 8,850,890	\$ 660,000
2015	8,850,890	660,000
2016	8,850,890	660,000
2017	8,850,890	660,000
2018	8,850,890	660,000
Future years	<u>73,210,636</u>	<u>6,988,905</u>
	<u>\$ 117,465,086</u>	<u>\$ 10,288,905</u>

As described above, the Bell Helicopter lease is subject to jobs creation credits that may result in a full waiver of the lease payments.

**Operating Lease Activities**

The AEDC has entered into a number of arrangements in which it leases hangars and similar properties at the City's airport and, with appropriate improvements and modifications, subleases the properties to qualifying manufacturing or industrial enterprises at scheduled amounts sufficient to amortize the AEDC's costs over the lease terms. However, the scheduled payments are subject to incentive discounts and waivers based on job creation criteria. During the year ended September 30, 2013, AEDC received rentals in the amount of \$2,721 and paid \$2,721 to the Amarillo International Airport to lease certain of its properties for this purpose.

The AEDC entered into a lease agreement with the City to lease warehouse property on the northwest side of Amarillo. They sublease the property to a manufacturing company at scheduled amounts sufficient to amortize AEDC's costs over the lease term. During the year ended September 30, 2013, AEDC received rentals in the amount of \$154,903 and paid \$115,792 to the City for lease of this property.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Capital Assets**

As part of its economic development program, the AEDC has constructed a number of improvements on property leased from the City's airport for the purpose of subleasing to qualifying enterprises. Additionally, it holds equipment needed for administrative purposes. At September 30, 2013, the AEDC's property, plant, and equipment were as follows:

Buildings and improvements	\$ 19,558,009
Vehicles and equipment	130,809
Construction in progress	4,464,156
Accumulated depreciation	<u>(7,689,531)</u>
<b>Total capital assets</b>	<b><u>\$ 16,463,443</u></b>

**Employee Retirement Benefits**

The AEDC maintains a money purchase pension plan for its employees, which is designed to meet the requirements of Internal Revenue Code Section 401(a), and has adopted a current contribution rate of 10% of salaries. As the AEDC's policy is to fund credits as they accrue, there is no unfunded pension obligation. A local banking institution serves as trustee. The cost of this plan for the year ended September 30, 2013 was \$62,086.

**Long-Term Debt**

In December 1998 the AEDC issued its taxable sales tax revenue bonds in the amount of \$23,430,000 for purposes of financing facilities being constructed for Bell Helicopter Textron. In December 2007, AEDC issued \$48,915,000 Amarillo Economic Development Corporation Taxable Sales Tax Revenue Refunding and Improvement Bonds Series 2007. These bonds were issued to refund the bonds issued in 1998 and to finance construction of an assembly space for Bell Helicopter Textron and a processing facility for Pacific Cheese and to pay costs associated with the issuance of bonds.

The 2007 bonds mature serially through 2027 and call for interest rates on the bonds currently outstanding ranging from 4.35% through 6.25%. Scheduled principal payments are as follows: 2014, \$2,755,000; 2015, \$2,895,000; 2016, \$3,040,000; 2017, \$3,200,000; 2018, \$3,365,000; and thereafter \$18,780,000. The principal outstanding at September 30, 2013 was \$34,035,000.

In December 2009 the AEDC issued its taxable sales tax revenue bonds in the amount of \$38,830,000 for purposes of financing facilities being constructed for Bell Helicopter Textron and Zarges Aluminum Systems (Zarges). After issuance costs and funding a reserve fund, approximately \$31 million of the bond proceeds were used for Bell and approximately \$5 million were used for the Zarges project.

The 2009 bonds mature serially through 2030 and call for interest rates on the bonds currently outstanding ranging from 2.482% through 6.529%. Scheduled principal payments are as follows: 2014, \$1,290,000; 2015, \$1,340,000; 2016, \$1,410,000; 2017, \$1,480,000; 2018, \$1,555,000; and thereafter \$28,130,000. The principal outstanding at September 30, 2013 was \$35,205,000.

AEDC's bonds are rated "A1" by Moody's Investors Service, Inc. and "AA-" by Standard & Poor's Ratings Services.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 18 - AMARILLO ECONOMIC DEVELOPMENT CORPORATION (CONTINUED)**

**Commitments**

At September 30, 2013, AEDC had construction-in-progress commitments in the amount of approximately \$691,000. Subsequent to year-end, AEDC incurred approximately \$1.6 million in additional construction commitments.

At September 30, 2013, AEDC had other outstanding commitments, not included above, to make grants or extend credit to qualifying enterprises, generally effective for a five-year period, in the amount of approximately \$9.2 million.

AEDC is obligated to the City for leases of airport property and other property being subleased to various development and manufacturing enterprises.

On October 15, 2013, the AEDC Board of Directors approved the Location Incentive Agreement and Real Estate Exchange Agreement for the Coca-Cola Refreshments project.

**Financial Statements**

Separately issued financial statements for this entity may be obtained by contacting the AEDC at its offices, which are located at 801 South Fillmore, Suite 205, Amarillo, Texas 79101.

**NOTE 19 - AMARILLO-POTTER EVENTS VENUE DISTRICT**

**Significant Accounting Policies**

The Venue District is a governmental entity created by enabling resolutions of the City and Potter County (the County) in September 1997. In January 1998 the voters of the City and the County approved the proposed project, which consists of constructing a livestock arena at the county fair grounds to be used for livestock shows, sporting events, agricultural expositions and other civic or charitable events, together with expansion of the City's Civic Center to provide additional exhibit hall space and meeting rooms.

The construction of the livestock arena has been financed by citizen contributions, together with bonds serviced by a 2% hotel occupancy tax and a 5% tax on short-term auto rentals, both of which taxes were approved by the voters on January 17, 1998. The City has agreed to pay lease rentals, if necessary, to cover any shortfall in the tax revenues available for the debt service, and this agreement is collateralized by the City's 7% hotel occupancy tax.

The Venue District is governed by a seven-member Board of Directors, four of whom are appointed by the Mayor of the City and three of whom are appointed by the County Judge of the County. The budget is subject to approval by both the City Council and the County Commissioner's Court. The City serves as fiscal agent for the Venue District, performing various administrative services under a contract providing that it will be reimbursed for its cost of providing the services.

The Venue District is considered to be a component unit of the City's financial reporting entity because of its oversight responsibility with respect to management, as well as its financial accountability with respect to debt service.

**Measurement Focus, Basis of Accounting, and Financial Statement Preparation**

The Venue District's fiscal year coincides with that of the City. It follows the provisions of Governmental Accounting Standards Board Statement No. 34. Accordingly, it presents government-wide financial statements using accounting principles similar to those used by commercial enterprises.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 19 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Preparation (Continued)**

Taxes collected by hotels and rental agencies are due to the Venue District by the tenth of the month following collection. Such taxes are recognized as revenues when collected by the remitters.

Depreciation is provided for on the straight-line method over the estimated useful lives of the facilities. The primary depreciable asset of the Venue District at September 30, 2013 was a livestock arena, and its estimated useful life is 40 years.

**Physical Facilities**

A livestock arena and special events center (the Center) has been constructed on fairground property owned by the County and has a total capacity of 10,000 persons. The total construction cost of the facility was approximately \$12.8 million. When completed as of June 1, 2000, the Center was leased on a rent-free basis to the local nonprofit fair association.

In January 2002 construction began on a 65,000 square foot addition to the City's Civic Center, together with additional paved parking. The total construction cost of this facility was \$9.6 million. Cost in excess of the funds provided by the Venue District's bonds and available revenues are to be paid by the City with proceeds of its hotel-motel taxes earmarked for this expansion.

**Financing**

In December 1998 the Venue District issued sales tax and lease revenue bonds in the face amount of \$10 million, secured by a pledge of the Venue District's tax revenues, as well as by a lease agreement from the City secured by its hotel occupancy taxes, to be applicable if there is a shortfall in the Venue District's revenues available for debt service. In November 2000 the Venue District issued additional bonds in the face amount of \$6,750,000. On November 10, 2005, the Venue District issued \$6,425,000 in Special Tax and Lease Revenue Refunding Bonds for a refunding of \$6,340,000 of outstanding Special Tax and Lease Revenue Bonds, Series 2000. The refunding was undertaken to reduce total debt service payments over the next 30 years by approximately \$423,000 and resulted in an economic gain of approximately \$430,000. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Venue District's financial statements. The principal amount outstanding at September 30, 2013 on the 2005 bond issue was \$5,600,000.

In July 2009, the Venue District issued \$8,130,000 in Special Tax and Lease Revenue Refunding Bonds for a refunding of outstanding Special Tax and Lease Revenue Bonds, Series 1998. The refunding was undertaken to reduce total debt service payments over the next 20 years by approximately \$652,000 and resulted in an economic gain of approximately \$435,000. The debt has been considered defeased and, therefore, removed as a liability from the Venue District's financial statements for reporting purposes. The principal amount outstanding at September 30, 2013 on the bond issues was \$7,100,000.

**Commitments**

The Venue District has entered into a management agreement with the nonprofit fair association to operate the livestock arena and the City for the operation of the portion of the project connected to the City's facility. In this connection, the Venue District is paying both the nonprofit fair association and the City a management fee. The management fees are subject to annual appropriation of the Board. On August 5, 2013, the Venue District approved an appropriation in the amount of \$328,248 (\$27,354 per month) for its management fee for operating the Amarillo National Center, and the management fee to the City of Amarillo remains unchanged at \$398,000 annually.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 19 - AMARILLO-POTTER EVENTS VENUE DISTRICT (CONTINUED)**

**Commitments (Continued)**

The Venue District's Board approved \$400,291 for capital improvements and \$175,000 for event development in its normal budgetary process.

The Amarillo Convention & Visitor Council through its partnership with American Quarter Horse Association (AQHA) is contributing to the success of the AQHA Adequan World Select World Show. The District has committed approximately \$50,000 to offset show expenses. The District also agreed to provide up to \$87,000 of funds received from the Texas Events Trust Fund's Board to offset show expenses and up to \$10,000 for the economic impact study.

**Financial Statements**

Separately issued financial statements for this entity may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

**NOTE 20 - AMARILLO HOUSING FINANCE CORPORATION**

In 1996 AHFC issued bonds in the amount of \$15,700,000 under authority of the Texas Housing Finance Corporation Act, and entered into a trustee investment arrangement in which the proceeds are to be invested in GNMA and FHLMC certificates secured by the mortgage loans originated under a lending program prescribed by the Act. On February 1, 1999 the AHFC refunded \$5,500,000 and called \$3,260,000 of this issue. The remaining bonds are payable solely from the Trust Estate, and are not general obligations of either the AHFC or the City. A similar issuance was made in a prior year in the amount of \$8,700,000.

On February 28, 2000 the AHFC issued \$15,000,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trustee investment arrangement in which proceeds are invested in GNMA and FNMA certificates. In 2003 the AHFC issued \$10,000,000 under authority of the Texas' Housing Finance Corporation Act, and entered into a trustee investment arrangement in which proceeds are invested in GNMA and FNMA certificates.

In December 2007, the Housing Finance Corporation converted its \$5.6 million mortgage bond allocation to \$4 million in Mortgage Credit Certificates (MCC). MCCs allow first-time homebuyers to take a tax credit of up to \$2,000 a year on their income tax return for a portion of the mortgage interest paid during the year and the taxpayer is still allowed to deduct the balance of the mortgage interest as an itemized deduction. Also, MCCs work in any interest-rate environment. The program ended in December 2009. In total, we utilized \$2,730,817 of the \$4 million in MCCs available.

**Financial Statements**

This organization does not publish separate financial statements, but its non-trusted cash balance, used for miscellaneous operating expenses. Further information regarding this entity may be obtained from the Director of Finance, City of Amarillo.

**NOTE 21 - TAX INCREMENT REINVESTMENT ZONE #1**

The Tax Increment Reinvestment Zone Number One (TIRZ #1) was created in FY 2007 pursuant to the Texas Tax Increment Financing Act, Tax Code, Chapter 311. The purpose of the zone is to promote the development of or redevelopment of certain contiguous geographic areas in the City.



**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 21 - TAX INCREMENT REINVESTMENT ZONE #1 (CONTINUED)**

The TIRZ #1 has agreed to support the Potter County Courthouse renovation project with a debt issuance of \$1,234,605. The TIRZ #1 participation agreement with Potter County was amended November 16, 2010 and the funding obligation for the Courthouse was to be \$745,426. On June 16, 2011, the TIRZ #1 Board amended the agreement to add \$198,000 to the agreement. The TIRZ #1 has agreed to do landscaping and streetscaping around the new Courthouse. The City of Amarillo issued approximately \$2.2 million in Certificates of Obligation in February 2011 using an unlimited pledge of TIRZ #1 revenue for the Courthouse project and other streetscape improvements in downtown Amarillo.

The TIRZ #1 has agreed to rebate 90% of the taxes of the participating taxing entities paid by the owners for 20 years on the value of the improvements of the Fisk Building not to exceed 20 years or \$1,657,716. The Fisk Building opened as a new Courtyard by Marriott hotel in December 2010 and was eligible for a rebate of \$44,511 in 2013.

The TIRZ #1 has agreed to support a streetscape project for Polk Street United Methodist Church. The project will use the lump sum option not to exceed \$203,124 payable only when the project is completed as submitted to the TIRZ #1 Board. \$112,063 has been distributed for this project as of September 30, 2013.

The TIRZ #1 Board approved approximately \$2.7 million for the streetscape improvements for the Amarillo Convention Hotel, parking structure, and multi-purpose event venue.

The TIRZ #1 agreed to support the streetscape project for the Vineyard Manor Apartments project not to exceed \$48,425, payable upon completion of the streetscape improvement. \$48,425 has been distributed for the project as of September 30, 2013.

The TIRZ #1 approved a \$400,000 local match of TxDOT funding for streetscape improvements at Buchanan Street and 6th Avenue.

The TIRZ #1 approved a streetscape project for the Downtown Athletic Club for \$42,306. This project was complete at September 30, 2013 and the distribution has been accrued.

The TIRZ #1 has agreed to rebate 90% of the taxes of the participating taxing entities paid by the owners for 20 years on the downtown Toot'n Totum not to exceed \$494,195.

**Financial Statements**

Separately issued financial statements may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

**NOTE 22 - AMARILLO LOCAL GOVERNMENT CORPORATION**

In March 2011, the Corporation was organized as a public nonprofit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the development of the geographic area of the City, including the vicinity of the downtown area, in furtherance of the promotions, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism and economic development in the City. The Corporation was created under the provisions of Subchapter D of Chapter 431, Texas Transportation Code and the Texas Nonprofit Corporation Law, Chapter 22, Business Organizations Code.

**CITY OF AMARILLO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended September 30, 2013**

**NOTE 22 - AMARILLO LOCAL GOVERNMENT CORPORATION (CONTINUED)**

ALGC is governed by a seven-member Board of Directors appointed by the City Council of the City of Amarillo (the City). ALGC's annual operating budget, as well as projects undertaken by it, is subject to approval by the City Council.

The City of Amarillo has leased land to the ALGC to build a convention hotel and parking garage. The ALGC entered into a lease and development agreement with Wallace Bajjali (WB) Development Partners, LP in July 2012. Under the terms of the agreement, WB is to construct a full-service convention center hotel on land owned by the City of Amarillo. The hotel will have 270 to 300 rooms and approximately 21,000 square feet of configurable meeting space. The ALGC will own the hotel and lease the hotel for an eighty (80) year term to WB. WB will select the hotel operator subject to approval of ALGC. WB and the operator will receive all revenue from the hotel and will be responsible for all operating and maintenance costs. The ALGC, the City of Amarillo and TIRZ #1 have agreed not to incentivize another comparable property in the downtown area for 20 years.

The ALGC has agreed to construct a 750-space parking garage adjacent to the hotel. The hotel will have reserved spaces in the garage. The cost of the structure is estimated to be approximately \$13.5 million. To complete the project, the City of Amarillo will issue approximately \$13 million in Hotel Occupancy Tax Revenue Bonds.

**Financial Statements**

Separately issued financial statements may be obtained by contacting the Director of Finance, City of Amarillo, P.O. Box 1971, Amarillo, Texas 79105.

This information is an integral part of the accompanying basic financial statements.

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## REQUIRED SUPPLEMENTARY INFORMATION

Certain information that is not a part of the basic financial statements but, nevertheless, is considered to be an important part of a governmental entity's financial report, must be presented immediately after the notes to the basic financial statements. This information includes the following:

Budgetary comparison schedules for the General Fund and each major special revenue fund that has a legally adopted annual budget. Under this criteria, the budgetary comparison schedule of the General Fund is presented in this section.

Pension trend data: The funding progress of the City's portion of the Texas Municipal Retirement System, as well as the Firemen's Relief and Retirement Fund for City of Amarillo firefighters is included in this section.

Postemployment trend data: The funding progress of the City's portion of the postemployment benefit plan is included in this section.

**CITY OF AMARILLO, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
<b>REVENUES</b>						
Ad valorem taxes	\$ 32,565,751	\$ 32,565,751	\$ 33,212,357	\$ -	\$ 33,212,357	\$ 646,606
Sales taxes	48,724,000	48,724,000	52,126,017	-	52,126,017	3,402,017
Mixed beverage taxes	529,830	529,830	595,016	-	595,016	65,186
Hotel occupancy taxes	4,961,780	4,961,780	5,691,118	-	5,691,118	729,338
Gross receipts bus. taxes	16,885,591	16,885,591	16,712,223	-	16,712,223	(173,368)
Licenses and permits	2,067,644	2,067,644	3,514,170	-	3,514,170	1,446,526
Interfund reimbursement	1,778,884	1,778,884	1,675,119	-	1,675,119	(103,765)
Intergovernmental revenue	3,546,006	3,546,006	3,528,450	-	3,528,450	(17,556)
Contributions from citizens	13,500	13,500	22,814	-	22,814	9,314
Charges for services	31,413,817	31,413,817	32,318,766	-	32,318,766	904,949
Fines and forfeitures	4,870,785	4,870,785	4,842,882	-	4,842,882	(27,903)
Investment earnings	528,422	528,422	298,071	-	298,071	(230,351)
Other rentals and commissions	423,303	423,303	412,125	-	412,125	(11,178)
Miscellaneous revenues	471,585	471,585	508,341	-	508,341	36,756
<b>Total Revenues</b>	<b>148,780,898</b>	<b>148,780,898</b>	<b>155,457,469</b>	<b>-</b>	<b>155,457,469</b>	<b>6,676,571</b>
<b>EXPENDITURES</b>						
Auditorium/Coliseum	3,204,858	3,234,596	3,047,947	10,875	3,058,822	175,774
Tourism	3,251,214	3,251,214	3,083,969	15,000	3,098,969	152,245
Fire protection	26,332,183	26,333,110	26,045,509	41,101	26,086,610	246,500
General government	3,819,375	3,828,908	3,409,164	(1,088)	3,408,076	420,832
Libraries	3,766,563	3,785,317	3,617,582	9,952	3,627,534	157,783
Public safety and health	9,836,008	9,859,992	9,320,864	(1,952)	9,318,912	541,080
Parks	6,579,170	6,608,023	6,514,267	-	6,514,267	93,756
Participant recreation	5,520,785	5,529,491	5,226,202	3,444	5,229,646	299,845
Police protection	38,700,380	38,705,423	39,515,167	(36,003)	39,479,164	(773,741)
Solid waste	11,578,644	11,640,552	11,311,765	3,533	11,315,298	325,254
Staff services	9,840,188	9,863,075	9,240,292	19,601	9,259,893	603,182
Information technology	2,847,564	2,847,564	2,847,562	-	2,847,562	2
Streets traffic and engineering	14,969,890	14,372,662	12,862,128	20,830	12,882,958	1,489,704
Transit	4,488,273	4,508,626	4,276,916	(13,936)	4,262,980	245,646
<b>Total Expenditures</b>	<b>144,735,095</b>	<b>144,368,553</b>	<b>140,319,334</b>	<b>71,357</b>	<b>140,390,691</b>	<b>3,977,862</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,045,803	4,412,345	15,138,135	(71,357)	15,066,778	10,654,433
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	106,917	157,717	51,001	-	51,001	(106,716)
Transfers to other funds	(9,422,057)	(9,839,401)	(9,740,541)	-	(9,740,541)	98,860
<b>Total Other Financing Sources (Uses)</b>	<b>(9,315,140)</b>	<b>(9,681,684)</b>	<b>(9,689,540)</b>	<b>-</b>	<b>(9,689,540)</b>	<b>(7,856)</b>
Net Change in Fund Balances	(5,269,337)	(5,269,339)	5,448,595	(71,357)	5,377,238	10,646,577
<b>FUND BALANCE OCTOBER 1, 2012</b>	<b>28,645,531</b>	<b>28,576,015</b>	<b>46,264,565</b>	<b>132,202</b>	<b>46,396,767</b>	<b>17,820,752</b>
<b>FUND BALANCE, SEPTEMBER 30, 2013</b>	<b>\$ 23,376,194</b>	<b>\$ 23,306,676</b>	<b>\$ 51,713,160</b>	<b>\$ 60,845</b>	<b>\$ 51,774,005</b>	<b>\$ 28,467,329</b>

Note 1 - The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP), unrealized investment gain (loss) is recognized for GAAP basis only and interfund loan transactions treated as transfers for budget basis.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF FUNDING PROGRESS  
SEPTEMBER 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/12	\$ 328,782,257	\$ 359,062,508	\$ 30,280,251	91.6%	\$ 71,219,421	42.5%
12/31/11	310,626,860	345,983,859 <sup>(4)</sup>	35,356,999	89.8%	68,569,807	51.6%
12/31/11	310,626,860	330,594,097	19,967,237	94.0%	68,569,807	29.1%
12/31/10	294,844,927 <sup>(1)</sup>	320,290,615	25,445,688	92.1%	66,106,916	38.5%
12/31/10	152,320,989 <sup>(2)</sup>	215,708,440	63,387,451	70.6%	66,106,916	95.9%
12/31/09	147,138,927	211,843,454 <sup>(3)</sup>	64,704,527	69.5%	66,629,414	97.1%
12/31/08	142,555,601	265,302,716	122,747,115	53.7%	63,322,278	193.8%
12/31/07	137,368,480	252,373,671	115,005,191	54.4%	56,938,843	202.0%
12/31/06	140,836,400	210,725,728	69,889,328	66.8%	54,443,156	128.4%
12/31/05	139,414,655	203,697,593	64,282,938	68.4%	51,564,577	124.7%
12/31/04	135,002,341	195,215,275	60,212,934	69.2%	49,363,360	122.0%
12/31/03	133,081,626	189,340,431	56,258,805	70.3%	46,144,235	121.9%

Source: TMRS actuarial valuation

Note:

- (1) Actuarial valuation performed under the new fund structure.
- (2) Actuarial valuation performed under the original fund structure.
- (3) Valuation changed due to the City dropping the repeating Cost of Living Adjustment (COLA).
- (4) Valuation changed due to the City adding repeating updated services credits and five-year vesting.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
 FIREMEN'S RELIEF AND RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS  
 SEPTEMBER 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
01/01/13			Not Calculated			
01/01/12	\$ 120,396,531	\$ 153,978,252	\$ 33,581,721	78.2%	\$ 15,058,726	223.0%
01/01/11			Not Calculated			
01/01/10	116,150,945	138,263,770	22,112,825	84.0%	14,340,679	154.2%
01/01/09			Not Calculated			
01/01/08	112,656,382	122,323,458	9,667,076	92.1%	12,568,747	76.9%
12/31/06			Not Calculated			
12/31/05	98,689,048	107,868,069	9,179,021	91.5%	11,583,479	79.2%
12/31/04			Not Calculated			
12/31/03	92,553,607	96,787,914	4,234,307	95.6%	10,401,659	40.7%

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS  
SEPTEMBER 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
10/1/13 *	*	*	*	*	*	*
10/1/12 <sup>(1)</sup>	-	267,069,036	267,069,036	0.0%	94,400,488	282.9%
10/1/11	-	250,000,875	250,000,875	0.0%	91,473,341	273.3%
10/1/10	-	203,259,604	203,259,604	0.0%	82,978,108	245.0%
10/1/09	-	190,216,284	190,216,284	0.0%	80,561,270	236.1%
10/1/08	-	203,630,675	203,630,675	0.0%	80,412,465	253.2%
10/1/07	-	188,899,159	188,899,159	0.0%	78,070,354	242.0%

\* The 10/1/13 GASB 45 actuarial valuation was in progress at year-end and the related information was not available.

<sup>(1)</sup> The FYE 2013 liabilities and annual costs are based on the 10/01/2011 GASB 45 valuation.

See Independent Auditor's Report.



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## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. This category includes the following funds:

**Grant funds:** These funds are used to account for the receipt and expenditure of funds received under various federal and state assistance programs.

**Public improvement districts:** These funds are used to account for assessments levied against residential lots in various public improvement districts, the use of which is restricted for maintenance of beautification and recreational facilities.

**Seizures funds:** These funds are used, to account for crime seizure proceeds awarded to the City, the use of which is restricted to law enforcement purposes.

**Other:** These funds include:

**Court Technology Fund:** Fees collected by the Municipal Court under state laws which restrict the use of the proceeds to technological enhancements for the Court.

**Court Security Fund:** Fees collected by the Municipal Court under state laws which restrict the use of the proceeds to court security activities and cost for the Court.

**LEOSE Training Program:** Fees collected by the Municipal Court under state laws for the purpose of providing continuing education for law enforcement and fire officers.

**Homeland Security Program:** The homeland security programs provide the Emergency Management Department with professional services and equipment, which allows the City to be operationally equipped and trained to respond to emergencies through the purchase of equipment, training, and exercises with the goal of improving the preparedness of local responders.

**Cable Capital Facilities Fund:** Funds received and restricted for specific cable connectivity with Amarillo Independent School District.

**Photo Enforcement:** Fees collected from red-light traffic violations that are restricted by State law to be used only for traffic intersection improvements.

**Public Library Bush Collection:** Funds received and restricted for the purchase and maintenance of items in the William Henry Bush Collection.

**Library Trust:** Various funds received for the sole benefit of the Amarillo Public Library.

**Flood Hazard:** Fees collected for playa lake development.

**Centennial Plaza Trust:** Funds received for improvements at the Amarillo City Hall/Civic Center Complex.

**Civic Amarillo:** Funds accumulated and used by the Amarillo Civic Center for the in-house promotion of events.

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**Other (Continued):**

**Zoo Trust:** Funds received and restricted for operations and improvements at the Amarillo Zoo.

**Centennial Celebration:** Funds received and restricted for the City's centennial celebration.

**Rick Husband Memorial:** Donated funds for the purchase and placement of a statue in honor of Rick Husband.

**Keep Amarillo Beautiful:** Funds received for improvements to the Amarillo area.

**Tax Increment Reinvestment Zone #1:** Blended component unit created to promote the development of or redevelopment of certain contiguous geographic areas in the City.

**Bonded Debt Service Fund**

This fund currently accounts for ad valorem taxes assessed for purposes of servicing the serial debt obligations of the 2001 general obligation bonds issued for library purposes, as well as special assessments made for servicing certificates of obligation issued for the Public Improvement District.

**Compensated Absences Fund**

This fund accounts for the ultimate payment of termination obligations to the employees of the City.

**Permanent Fund**

**Pavillard Endowment:** This fund accounts for a contribution to the City's Library, which was to be held to provide a lifetime income to the grantor and, thereafter, to use the income therefrom for purchases of children's books.

**CITY OF AMARILLO, TEXAS  
COMBINING BALANCE SHEET OF  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
<b>ASSETS</b>					
Cash and cash equivalents	\$ 886,470	\$ 336,777	\$ 133,341	\$ 423,279	\$ 3,646,902
Investments, at fair values	-	-	-	-	1,530,000
Receivables, net of allowances for uncollectibles					
Property taxes	-	-	-	-	-
Accounts	80,103	203,080	-	-	(1,746)
Accrued Interest	-	-	-	-	291
Other accrued revenue	41,386	-	-	-	-
Due from other funds unrestricted	148,949	-	-	-	-
Due from other governments	549,192	661,464	-	-	43,491
Prepaid items	625,503	921	-	605	-
Restricted cash and cash equivalents	-	-	-	-	623,959
Restricted investments	-	-	-	-	500,000
<b>TOTAL ASSETS</b>	<b>\$ 2,331,603</b>	<b>\$ 1,202,242</b>	<b>\$ 133,341</b>	<b>\$ 423,884</b>	<b>\$ 6,342,897</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers payable	\$ 137,632	\$ 24,181	\$ 148	\$ 10,137	\$ 39,148
Accounts payable	159,649	100,844	-	-	162,192
Accrued expenses	-	-	-	-	49,225
Deposits	-	-	-	-	1,268,954
Due to other funds - unrestricted	643,574	345,716	48,000	6,305	-
Due to other governments	2,980	-	-	22,110	-
Deferred revenues - other	82,667	-	-	-	-
Deferred revenues - property taxes	-	-	-	-	-
Total liabilities	<u>1,026,502</u>	<u>470,741</u>	<u>48,148</u>	<u>38,552</u>	<u>1,519,519</u>
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid items	625,503	921	-	605	-
Uncollected taxes	-	-	-	-	-
Restricted for:					
Debt Service	-	-	-	-	-
Special purposes	632,247	730,580	85,193	384,727	4,823,378
Committed for:					
Compensated Absences	47,351	-	-	-	-
Total fund balances	<u>1,305,101</u>	<u>731,501</u>	<u>85,193</u>	<u>385,332</u>	<u>4,823,378</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,331,603</b>	<b>\$ 1,202,242</b>	<b>\$ 133,341</b>	<b>\$ 423,884</b>	<b>\$ 6,342,897</b>

See Independent Auditor's Report.

<u>Bonded Debt Service Fund</u>	<u>Compensated Absences Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 537,020	\$ 1,576,589	\$ 17,669	\$ 7,558,047
-	8,349,254	-	9,879,254
16,930	-	-	16,930
-	-	-	281,437
-	30,694	-	30,985
-	-	-	41,386
-	-	-	148,949
-	-	-	1,254,147
-	-	-	627,029
-	-	-	623,959
-	-	-	500,000
<u>\$ 553,950</u>	<u>\$ 9,956,537</u>	<u>\$ 17,669</u>	<u>\$ 20,962,123</u>
\$ -	\$ -	\$ -	\$ 211,246
2,744	-	-	425,429
-	-	-	49,225
-	-	-	1,268,954
-	-	-	1,043,595
-	-	-	25,090
-	-	-	82,667
4,203	-	-	4,203
<u>6,947</u>	<u>-</u>	<u>-</u>	<u>3,110,409</u>
-	-	-	627,029
12,727	-	-	12,727
534,276	-	-	534,276
-	-	17,669	6,673,794
-	9,956,537	-	10,003,888
<u>547,003</u>	<u>9,956,537</u>	<u>17,669</u>	<u>17,851,714</u>
<u>\$ 553,950</u>	<u>\$ 9,956,537</u>	<u>\$ 17,669</u>	<u>\$ 20,962,123</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds				
	Housing and Urban Development Grants	Other Grant Funds	Public Improvement Districts	Seizures Funds	Other
<b>REVENUES</b>					
Ad valorem taxes - for debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	11,564,303	4,054,299	-	-	174,338
Citizen contributions	-	-	-	-	22,824
Construction participation	10,159	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	594,974
Other entity participations	-	820,676	-	-	-
Charges for services	24,430	24,403	919,987	-	547,454
Fines and forfeitures	-	-	-	292,213	802,372
Investment earnings	4,218	-	314	719	8,268
Miscellaneous	71,799	-	-	40,950	-
Total revenues	<u>11,674,909</u>	<u>4,899,378</u>	<u>920,301</u>	<u>333,882</u>	<u>2,150,230</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	230,898
Police protection	-	254,719	-	176,071	-
Other public safety and health	-	3,809,888	-	-	918,757
Staff services	-	372,856	-	-	-
Auditorium - Coliseum	-	-	-	-	311,765
Library	-	2,384	-	-	1,240
Parks	-	-	617,955	-	-
Participation recreation	-	-	-	-	24,705
Urban redevelopment and housing	12,261,800	-	-	-	-
Capital outlay	-	73,559	-	204,831	23,825
Debt service principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Termination vacation and sick leave pay	-	-	-	-	-
Total expenditures	<u>12,261,800</u>	<u>4,513,406</u>	<u>617,955</u>	<u>380,902</u>	<u>1,511,190</u>
Excess (deficiency) of revenues over (under) expenditures	(586,891)	385,972	302,346	(47,020)	639,040
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	118,415	59,762	-	-	-
Transfers to other funds	(47,205)	(17,429)	(303,285)	-	(266,588)
Net change in fund balances	<u>(515,681)</u>	<u>428,305</u>	<u>(939)</u>	<u>(47,020)</u>	<u>372,452</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>					
	1,820,782	303,196	86,132	432,352	1,835,705
<b>PRIOR PERIOD ADJUSTMENT</b>					
	-	-	-	-	2,615,221
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>					
	<u>1,820,782</u>	<u>303,196</u>	<u>86,132</u>	<u>432,352</u>	<u>4,450,926</u>
<b>FUND BALANCES, END OF YEAR</b>					
	<u>\$ 1,305,101</u>	<u>\$ 731,501</u>	<u>\$ 85,193</u>	<u>\$ 385,332</u>	<u>\$ 4,823,378</u>

See Independent Auditor's Report.

<u>Bonded Debt Service Fund</u>	<u>Compensated Absences Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 2,875,654	\$ -	\$ -	\$ 2,875,654
-	-	-	15,792,940
-	-	-	22,824
-	-	-	10,159
-	-	-	594,974
-	-	-	820,676
-	-	-	1,516,274
-	-	-	1,094,585
95	40,056	18	53,688
-	-	-	112,749
2,875,749	40,056	18	22,894,523
-	-	-	230,898
-	-	-	430,790
-	-	-	4,728,645
6,230	-	-	379,086
-	-	-	311,765
-	-	-	3,624
-	-	-	617,955
-	-	-	24,705
-	-	-	12,261,800
-	-	-	302,215
1,763,860	-	-	1,763,860
1,673,168	-	-	1,673,168
-	1,552,850	-	1,552,850
3,443,258	1,552,850	-	24,281,361
(567,509)	(1,512,794)	18	(1,386,838)
732,847	-	-	911,024
-	-	-	(634,507)
165,338	(1,512,794)	18	(1,110,321)
381,665	11,469,331	17,651	16,346,814
-	-	-	2,615,221
381,665	11,469,331	17,651	18,962,035
\$ 547,003	\$ 9,956,537	\$ 17,669	\$ 17,851,714

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
OTHER GRANT FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2013**

	<u>Special Revenue Funds</u>			<u>Total Other Grant Funds</u>
	<u>Public Health Grants</u>	<u>Justice Grants</u>	<u>Miscellaneous Grants</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 28,771	\$ (1,138)	\$ 309,144	\$ 336,777
Receivables, net of allowances for uncollectibles				
Accounts	203,080	-	-	203,080
Due from other governments	543,765	21,138	96,561	661,464
Prepaid items	921	-	-	921
<b>TOTAL ASSETS</b>	<u>\$ 776,537</u>	<u>\$ 20,000</u>	<u>\$ 405,705</u>	<u>\$ 1,202,242</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers payable	\$ 24,181	\$ -	\$ -	\$ 24,181
Accounts payable	90,921	-	9,923	100,844
Due to other funds - unrestricted	235,000	20,000	90,716	345,716
Total liabilities	<u>350,102</u>	<u>20,000</u>	<u>100,639</u>	<u>470,741</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	921	-	-	921
Restricted:				
Special purposes	425,514	-	305,066	730,580
Total fund balances	<u>426,435</u>	<u>-</u>	<u>305,066</u>	<u>731,501</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 776,537</u>	<u>\$ 20,000</u>	<u>\$ 405,705</u>	<u>\$ 1,202,242</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
OTHER GRANT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Special Revenue Funds</u>			<u>Total Other Grants Funds</u>
	<u>Public Health Grants</u>	<u>Justice Funds</u>	<u>Miscellaneous Grants</u>	
<b>REVENUES</b>				
Intergovernmental revenues	\$ 3,013,879	\$ 268,516	\$ 771,904	\$ 4,054,299
Other entity participations	820,676	-	-	820,676
Charges for services	24,403	-	-	24,403
Total revenues	<u>3,858,958</u>	<u>268,516</u>	<u>771,904</u>	<u>4,899,378</u>
<b>EXPENDITURES</b>				
Other public safety and health	3,415,094	-	394,794	3,809,888
Library	-	-	2,384	2,384
Staff services	-	-	372,856	372,856
Police protection	-	254,719	-	254,719
Capital outlay	-	73,559	-	73,559
Total expenditures	<u>3,415,094</u>	<u>328,278</u>	<u>770,034</u>	<u>4,513,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>443,864</u>	<u>(59,762)</u>	<u>1,870</u>	<u>385,972</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	59,762	-	59,762
Operating transfers to other funds	(17,429)	-	-	(17,429)
Net change in fund balances	426,435	-	1,870	428,305
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>303,196</u>	<u>303,196</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 426,435</u>	<u>\$ -</u>	<u>\$ 305,066</u>	<u>\$ 731,501</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
PUBLIC IMPROVEMENT DISTRICTS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2013**

	<b>Greenways at Hillside</b>	<b>Brennan Boulevard</b>	<b>The Colonies</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 32,802	\$ 6,913	\$ 6,664
<b>TOTAL ASSETS</b>	<b>\$ 32,802</b>	<b>\$ 6,913</b>	<b>\$ 6,664</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to other funds - unrestricted	\$ 20,000	\$ -	\$ 25,000
Vouchers payable	148	-	-
Total liabilities	20,148	-	25,000
<b>FUND BALANCES</b>			
Restricted for:			
Special purposes	12,654	6,913	(18,336)
Total fund balances	12,654	6,913	(18,336)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 32,802</b>	<b>\$ 6,913</b>	<b>\$ 6,664</b>

See Independent Auditor's Report.

<u>Tutbury</u>	<u>Point West</u>	<u>Quail Creek</u>	<u>Vineyards</u>	<u>Redstone</u>	<u>Total</u>
\$ 3,518	\$ 74,995	\$ 4,475	\$ 2,244	\$ 1,730	\$ 133,341
<u>\$ 3,518</u>	<u>\$ 74,995</u>	<u>\$ 4,475</u>	<u>\$ 2,244</u>	<u>\$ 1,730</u>	<u>\$ 133,341</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 48,000
-	-	-	-	-	148
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>48,148</u>
<u>3,518</u>	<u>74,995</u>	<u>4,475</u>	<u>2,244</u>	<u>(1,270)</u>	<u>85,193</u>
<u>3,518</u>	<u>74,995</u>	<u>4,475</u>	<u>2,244</u>	<u>(1,270)</u>	<u>85,193</u>
<u>\$ 3,518</u>	<u>\$ 74,995</u>	<u>\$ 4,475</u>	<u>\$ 2,244</u>	<u>\$ 1,730</u>	<u>\$ 133,341</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
PUBLIC IMPROVEMENT DISTRICTS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Greenways at Hillside</u>	<u>Brennan Boulevard</u>	<u>The Colonies</u>
<b>REVENUES</b>			
Charges for services	\$ 395,558	\$ 13,850	\$ 431,650
Investment earnings	<u>168</u>	<u>14</u>	<u>117</u>
Total revenues	<u>395,726</u>	<u>13,864</u>	<u>431,767</u>
<b>EXPENDITURES</b>			
Parks	<u>281,230</u>	<u>18,266</u>	<u>264,733</u>
Total expenditures	<u>281,230</u>	<u>18,266</u>	<u>264,733</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114,496</u>	<u>(4,402)</u>	<u>167,034</u>
<b>OTHER FINANCING SOURCES</b>			
Transfer to other funds	<u>(145,727)</u>	<u>-</u>	<u>(157,558)</u>
Net change in fund balances	(31,231)	(4,402)	9,476
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>43,885</u>	<u>11,315</u>	<u>(27,812)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 12,654</u>	<u>\$ 6,913</u>	<u>\$ (18,336)</u>

See Independent Auditor's Report.

<u>Tutbury</u>	<u>Point West</u>	<u>Quail Creek</u>	<u>Vineyards</u>	<u>Redstone</u>	<u>Total</u>
\$ 16,296	\$ 52,000	\$ 6,873	\$ 3,760	\$ -	\$ 919,987
8	-	7	-	-	314
<u>16,304</u>	<u>52,000</u>	<u>6,880</u>	<u>3,760</u>	<u>-</u>	<u>920,301</u>
<u>15,594</u>	<u>28,033</u>	<u>7,313</u>	<u>1,516</u>	<u>1,270</u>	<u>617,955</u>
<u>15,594</u>	<u>28,033</u>	<u>7,313</u>	<u>1,516</u>	<u>1,270</u>	<u>617,955</u>
<u>710</u>	<u>23,967</u>	<u>(433)</u>	<u>2,244</u>	<u>(1,270)</u>	<u>302,346</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(303,285)</u>
<u>710</u>	<u>23,967</u>	<u>(433)</u>	<u>2,244</u>	<u>(1,270)</u>	<u>(939)</u>
<u>2,808</u>	<u>51,028</u>	<u>4,908</u>	<u>-</u>	<u>-</u>	<u>86,132</u>
<u>\$ 3,518</u>	<u>\$ 74,995</u>	<u>\$ 4,475</u>	<u>\$ 2,244</u>	<u>\$ (1,270)</u>	<u>\$ 85,193</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
SEIZURE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2013**

	<u>Federal APD seized property</u>	<u>Local seized property</u>	<u>Texas Narcotics seized property</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 143,781	\$ 137,638	\$ 141,860	\$ 423,279
Prepaid items	-	-	605	605
<b>TOTAL ASSETS</b>	<u>\$ 143,781</u>	<u>\$ 137,638</u>	<u>\$ 142,465</u>	<u>\$ 423,884</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds - unrestricted	\$ 3,953	\$ 2,352	\$ -	\$ 6,305
Due to other governments	-	1,891	20,219	22,110
Vouchers payable	10,137	-	-	10,137
Total liabilities	<u>14,090</u>	<u>4,243</u>	<u>20,219</u>	<u>38,552</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	-	-	605	605
Restricted for:				
Special purposes	129,691	133,395	121,641	384,727
Total fund balances	<u>129,691</u>	<u>133,395</u>	<u>122,246</u>	<u>385,332</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 143,781</u>	<u>\$ 137,638</u>	<u>\$ 142,465</u>	<u>\$ 423,884</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
SEIZURE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Federal APD seized property</u>	<u>Local seized property</u>	<u>Texas Narcotics seized property</u>	<u>Total</u>
<b>REVENUES</b>				
Investment earnings	\$ 353	\$ 157	\$ 209	\$ 719
Seized property revenue	114,772	177,441	-	292,213
Miscellaneous revenues	-	40,950	-	40,950
Total revenues	<u>115,125</u>	<u>218,548</u>	<u>209</u>	<u>333,882</u>
<b>EXPENDITURES</b>				
Police protection	107,875	68,196	-	176,071
Capital outlay	124,095	80,736	-	204,831
Total expenditures	<u>231,970</u>	<u>148,932</u>	<u>-</u>	<u>380,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(116,845)</u>	<u>69,616</u>	<u>209</u>	<u>(47,020)</u>
Net change in fund balances	(116,845)	69,616	209	(47,020)
<b>FUND BALANCES, BEGINNING OF YEAR</b>				
	<u>246,536</u>	<u>63,779</u>	<u>122,037</u>	<u>432,352</u>
<b>FUND BALANCES, END OF YEAR</b>				
	<u>\$ 129,691</u>	<u>\$ 133,395</u>	<u>\$ 122,246</u>	<u>\$ 385,332</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
MISCELLANEOUS SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2013**

	<u>Court Technology</u>	<u>Court Security</u>	<u>LEOSE Training Program</u>	<u>Homeland Security</u>	<u>Cable Capital Facilities</u>	<u>Photo Enforcement</u>	<u>Public Library Bush Collection</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 139,338	\$ 111,628	\$ 48,412	\$ 5,998	\$ 19,673	\$ 361,467	\$ 48,722
Accounts receivable	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-
Investments, at fair values	-	-	-	-	-	-	-
Due from other governments	-	-	-	43,491	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 139,338</u>	<u>\$ 111,628</u>	<u>\$ 48,412</u>	<u>\$ 49,489</u>	<u>\$ 19,673</u>	<u>\$ 361,467</u>	<u>\$ 48,722</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Vouchers payable	\$ 38	\$ -	\$ -	\$ 9,799	\$ -	\$ 29,311	\$ -
Accounts payable	-	4,051	-	3,230	-	154,911	-
Accrued expenses	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Total liabilities	<u>38</u>	<u>4,051</u>	<u>-</u>	<u>13,029</u>	<u>-</u>	<u>184,222</u>	<u>-</u>
<b>FUND BALANCES</b>							
Restricted:							
Special purposes	<u>139,300</u>	<u>107,577</u>	<u>48,412</u>	<u>36,460</u>	<u>19,673</u>	<u>177,245</u>	<u>48,722</u>
Total fund balances	<u>139,300</u>	<u>107,577</u>	<u>48,412</u>	<u>36,460</u>	<u>19,673</u>	<u>177,245</u>	<u>48,722</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 139,338</u>	<u>\$ 111,628</u>	<u>\$ 48,412</u>	<u>\$ 49,489</u>	<u>\$ 19,673</u>	<u>\$ 361,467</u>	<u>\$ 48,722</u>

See Independent Auditor's Report.

Library Trust	Flood Hazard	Centennial Plaza Trust	Civic Amarillo	Zoo Trust	Centennial Celebration	Rick Husband Memorial	Keep Amarillo Beautiful	Tax Increment Reinvestment Zone #1	Total
\$ 74,078	\$ 1,229,346	\$ -	\$ 337,278	\$ 41,333	\$ 20,437	\$ -	\$ 11,263	\$ 1,197,929	\$ 3,646,902
-	-	-	-	-	-	-	(1,746)	-	(1,746)
-	55	-	-	-	-	-	-	236	291
-	1,000,000	-	-	-	-	-	-	530,000	1,530,000
-	-	-	-	-	-	-	-	-	43,491
-	-	-	-	-	-	-	-	623,959	623,959
-	-	-	-	-	-	-	-	500,000	500,000
<u>\$ 74,078</u>	<u>\$ 2,229,401</u>	<u>\$ -</u>	<u>\$ 337,278</u>	<u>\$ 41,333</u>	<u>\$ 20,437</u>	<u>\$ -</u>	<u>\$ 9,517</u>	<u>\$ 2,852,124</u>	<u>\$ 6,342,897</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,148
-	-	-	-	-	-	-	-	-	162,192
-	-	-	6,919	-	-	-	-	42,306	49,225
-	1,268,954	-	-	-	-	-	-	-	1,268,954
-	1,268,954	-	6,919	-	-	-	-	42,306	1,519,519
74,078	960,447	-	330,359	41,333	20,437	-	9,517	2,809,818	4,823,378
74,078	960,447	-	330,359	41,333	20,437	-	9,517	2,809,818	4,823,378
<u>\$ 74,078</u>	<u>\$ 2,229,401</u>	<u>\$ -</u>	<u>\$ 337,278</u>	<u>\$ 41,333</u>	<u>\$ 20,437</u>	<u>\$ -</u>	<u>\$ 9,517</u>	<u>\$ 2,852,124</u>	<u>\$ 6,342,897</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
 MISCELLANEOUS SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 YEAR ENDED SEPTEMBER 30, 2013**

	<u>Court Technology</u>	<u>Court Security</u>	<u>LEOSE Training Program</u>	<u>Homeland Security</u>	<u>Cable Capital Facilities</u>	<u>Photo Enforcement</u>	<u>Public Library Bush Collection</u>
<b>REVENUES</b>							
Intergovernmental revenues - operating	\$ -	\$ -	\$ -	\$ 174,338	\$ -	\$ -	\$ -
Citizen contributions	-	-	-	-	-	-	-
Revenue from participating taxing entities	-	-	-	-	-	-	-
Charges for services	146,232	-	-	-	-	-	-
Fines and forfeitures	-	109,575	-	-	-	692,797	-
Investment earnings	-	-	51	-	-	-	5
Total revenues	<u>146,232</u>	<u>109,575</u>	<u>51</u>	<u>174,338</u>	<u>-</u>	<u>692,797</u>	<u>5</u>
<b>EXPENDITURES</b>							
General government	-	-	-	-	-	-	-
Other public safety and health	79,918	113,738	6,847	174,338	-	540,257	-
Auditorium - Coliseum	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-
Participant recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	23,825	-
Total expenditures	<u>79,918</u>	<u>113,738</u>	<u>6,847</u>	<u>174,338</u>	<u>-</u>	<u>564,082</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,314</u>	<u>(4,163)</u>	<u>(6,796)</u>	<u>-</u>	<u>-</u>	<u>128,715</u>	<u>5</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers to other funds	(4,040)	-	-	-	-	(87,711)	-
Total other financing sources and uses	<u>(4,040)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,711)</u>	<u>-</u>
Net change in fund balances	<u>62,274</u>	<u>(4,163)</u>	<u>(6,796)</u>	<u>-</u>	<u>-</u>	<u>41,004</u>	<u>5</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>77,026</u>	<u>111,740</u>	<u>55,208</u>	<u>36,460</u>	<u>19,673</u>	<u>136,241</u>	<u>48,717</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>77,026</u>	<u>111,740</u>	<u>55,208</u>	<u>36,460</u>	<u>19,673</u>	<u>136,241</u>	<u>48,717</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 139,300</u>	<u>\$ 107,577</u>	<u>\$ 48,412</u>	<u>\$ 36,460</u>	<u>\$ 19,673</u>	<u>\$ 177,245</u>	<u>\$ 48,722</u>

See Independent Auditor's Report.

Library Trust	Flood Hazard	Centennial Plaza Trust	Civic Amarillo	Zoo Trust	Centennial Celebration	Rick Husband Memorial	Keep Amarillo Beautiful	Tax Increment Reinvestment Zone #1	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,338
1,204	-	-	-	1,120	20,500	-	-	-	22,824
-	-	-	-	-	-	-	-	594,974	594,974
-	-	-	365,281	35,941	-	-	-	-	547,454
-	-	-	-	-	-	-	-	-	802,372
74	3,577	-	236	33	-	-	9	4,283	8,268
1,278	3,577	-	365,517	37,094	20,500	-	9	599,257	2,150,230
-	-	-	-	-	63	-	-	230,835	230,898
-	-	-	-	-	-	-	3,659	-	918,757
-	-	-	311,765	-	-	-	-	-	311,765
1,240	-	-	-	-	-	-	-	-	1,240
-	-	-	-	24,705	-	-	-	-	24,705
-	-	-	-	-	-	-	-	-	23,825
1,240	-	-	311,765	24,705	63	-	3,659	230,835	1,511,190
38	3,577	-	53,752	12,389	20,437	-	(3,650)	368,422	639,040
-	-	(12)	-	-	-	(1,000)	-	(173,825)	(266,588)
-	-	(12)	-	-	-	(1,000)	-	(173,825)	(266,588)
38	3,577	(12)	53,752	12,389	20,437	(1,000)	(3,650)	194,597	372,452
74,040	956,870	12	276,607	28,944	-	1,000	13,167	-	1,835,705
-	-	-	-	-	-	-	-	2,615,221	2,615,221
74,040	956,870	12	276,607	28,944	-	1,000	13,167	2,615,221	4,450,926
\$ 74,078	\$ 960,447	\$ -	\$ 330,359	\$ 41,333	\$ 20,437	\$ -	\$ 9,517	\$ 2,809,818	\$ 4,823,378

See Independent Auditor's Report.

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## CAPITAL PROJECTS FUND

**General Construction** – To account for traffic engineering and other miscellaneous construction funded primarily by the general revenues of the City. This fund also accounts for costs of construction of various improvements to the City's parks, which in recent years have been financed primarily by general revenues, and in some instances by intergovernmental grants. The General Construction Fund is also used to account for general revenues designated for replacement of existing buildings, improvements and equipment, and for similar projects.

**Street Assessments** – To account for the construction of streets and alleys which are financed primarily by property owner participation.

**Street Improvement Fund** – To account for improvements being made to major thoroughfares and the storm sewer system of the City financed by general revenues, augmented in some instances by property owner participation.

**Golf Course Improvement Fund** – To account for the portion of green fees designated for improvements to the public golf courses.

**Solid Waste Disposal Improvement Fund** – To account for costs of improvements to the City's solid waste disposal facilities, which in recent years have been financed primarily by general revenues.

**T-Anchor-Bivins Improvement Fund** – To account for sales of City land, the proceeds of which are designated for future betterments to the historic Bivins home, which is owned and rented by the City to the Amarillo Chamber of Commerce and other community service organizations.

**Civic Center Improvement Fund** – To account for improvements to Civic Center Convention Annex facilities, financed by motel tax receipts.

**Animal Shelter Improvement Fund** - To account for improvements to the Animal Shelter facilities.

**Park Improvement Fund** – To account for various Parks projects funded by the General Fund and other contributions and revenues.

**CO Bond Construction 06/07 Fund** – To account for construction costs from the proceeds of CO Bonds issued in June 2007.

CITY OF AMARILLO, TEXAS  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES  
 SEPTEMBER 30, 2013

	General Construction Fund	Street Assessments Fund	Street Improvement Fund	Golf Course Improvement Fund
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 7,213,612	\$ 722,954	\$ 110,062	\$ 270,549
Investments, at fair values	6,853,722	-	999,690	-
Due from other governments	37,300	-	-	-
Accounts receivable	26	-	-	-
Accrued interest receivable	17,491	-	1,392	-
Prepaid items	1,000	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 14,123,151</b>	<b>\$ 722,954</b>	<b>\$ 1,111,144</b>	<b>\$ 270,549</b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Vouchers payable	\$ 222,658	\$ -	\$ 4,161	\$ -
Accounts payable	111,821	-	84,794	-
Accrued expenses	259,341	-	1,062	-
Due to other funds - unrestricted	-	-	-	-
Total liabilities	593,820	-	90,017	-
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	1,000	-	-	-
Assigned for:				
Capital projects	13,528,331	722,954	1,021,127	270,549
Total fund balances	13,529,331	722,954	1,021,127	270,549
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,123,151</b>	<b>\$ 722,954</b>	<b>\$ 1,111,144</b>	<b>\$ 270,549</b>

See Independent Auditor's Report.

<u>Solid Waste Disposal Improvement Fund</u>	<u>T-Anchor Bivins Improvement Fund</u>	<u>Civic Center Improvement Fund</u>	<u>Animal Shelter Improvement Fund</u>	<u>Park Improvement Fund</u>	<u>CO Bond Const 06/07 Fund</u>	<u>Total</u>
\$ 3,703,678	\$ 292,437	\$ 2,299,198	\$ 3,207	\$ 709,213	\$ 613,790	\$ 15,938,700
7,004,380	-	2,748,332	-	-	-	17,606,124
-	-	-	-	-	-	37,300
-	-	-	-	-	-	26
10,685	-	2,826	-	-	-	32,394
-	-	-	-	-	-	1,000
<u>\$ 10,718,743</u>	<u>\$ 292,437</u>	<u>\$ 5,050,356</u>	<u>\$ 3,207</u>	<u>\$ 709,213</u>	<u>\$ 613,790</u>	<u>\$ 33,615,544</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,224	\$ 356,043
-	-	-	-	-	-	196,615
4,248	-	925	-	-	-	265,576
-	-	-	-	-	15,000	15,000
<u>4,248</u>	<u>-</u>	<u>925</u>	<u>-</u>	<u>-</u>	<u>144,224</u>	<u>833,234</u>
-	-	-	-	-	-	1,000
<u>10,714,495</u>	<u>292,437</u>	<u>5,049,431</u>	<u>3,207</u>	<u>709,213</u>	<u>469,566</u>	<u>32,781,310</u>
<u>10,714,495</u>	<u>292,437</u>	<u>5,049,431</u>	<u>3,207</u>	<u>709,213</u>	<u>469,566</u>	<u>32,782,310</u>
<u>\$ 10,718,743</u>	<u>\$ 292,437</u>	<u>\$ 5,050,356</u>	<u>\$ 3,207</u>	<u>\$ 709,213</u>	<u>\$ 613,790</u>	<u>\$ 33,615,544</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
CAPITAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>General Construction Fund</u>	<u>Street Assessments Fund</u>	<u>Street Improvement Fund</u>	<u>Golf Course Improvement Fund</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 2,624,125	\$ -	\$ -	\$ -
Charges for services	-	-	-	199,623
Construction participations	-	3,966,451	-	-
Miscellaneous	21,305	-	-	-
Other rentals and commissions	6,097	-	-	-
Investment earnings	60,564	2,673	3,059	108
Total revenues	<u>2,712,091</u>	<u>3,969,124</u>	<u>3,059</u>	<u>199,731</u>
<b>EXPENDITURES</b>				
Parks	-	-	-	-
Capital outlay	11,030,749	3,966,453	1,620,943	10,602
Total expenditures	<u>11,030,749</u>	<u>3,966,453</u>	<u>1,620,943</u>	<u>10,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,318,658)</u>	<u>2,671</u>	<u>(1,617,884)</u>	<u>189,129</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(777,858)	-	-	(253,238)
Transfers from other funds	5,967,046	-	1,837,000	-
Total other financing sources and uses	<u>5,189,188</u>	<u>-</u>	<u>1,837,000</u>	<u>(253,238)</u>
Net change in fund balances	(3,129,470)	2,671	219,116	(64,109)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>16,658,801</u>	<u>720,283</u>	<u>802,011</u>	<u>334,658</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 13,529,331</u>	<u>\$ 722,954</u>	<u>\$ 1,021,127</u>	<u>\$ 270,549</u>

See Independent Auditor's Report.

<u>Solid Waste Disposal Improvement Fund</u>	<u>T-Anchor Bivins Improvement Fund</u>	<u>Civic Center Improvement Fund</u>	<u>Animal Shelter Improvement Fund</u>	<u>Park Improvement Fund</u>	<u>CO Bond Const 06/07 Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,624,125
-	-	-	-	-	-	199,623
-	-	-	-	-	-	3,966,451
-	13,202	-	-	15,500	-	50,007
-	-	-	-	-	-	6,097
<u>23,805</u>	<u>55</u>	<u>5,909</u>	<u>-</u>	<u>33</u>	<u>291</u>	<u>96,497</u>
<u>23,805</u>	<u>13,257</u>	<u>5,909</u>	<u>-</u>	<u>15,533</u>	<u>291</u>	<u>6,942,800</u>
-	-	-	-	1,813	-	1,813
<u>909,300</u>	<u>-</u>	<u>277,958</u>	<u>-</u>	<u>6,303</u>	<u>2,554,353</u>	<u>20,376,661</u>
<u>909,300</u>	<u>-</u>	<u>277,958</u>	<u>-</u>	<u>8,116</u>	<u>2,554,353</u>	<u>20,378,474</u>
<u>(885,495)</u>	<u>13,257</u>	<u>(272,049)</u>	<u>-</u>	<u>7,417</u>	<u>(2,554,062)</u>	<u>(13,435,674)</u>
(12,600)	-	(36,595)	-	-	(610,000)	(1,690,291)
<u>1,250,000</u>	<u>-</u>	<u>1,162,069</u>	<u>-</u>	<u>-</u>	<u>129,914</u>	<u>10,346,029</u>
<u>1,237,400</u>	<u>-</u>	<u>1,125,474</u>	<u>-</u>	<u>-</u>	<u>(480,086)</u>	<u>8,655,738</u>
351,905	13,257	853,425	-	7,417	(3,034,148)	(4,779,936)
<u>10,362,590</u>	<u>279,180</u>	<u>4,196,006</u>	<u>3,207</u>	<u>701,796</u>	<u>3,503,714</u>	<u>37,562,246</u>
<u>\$ 10,714,495</u>	<u>\$ 292,437</u>	<u>\$ 5,049,431</u>	<u>\$ 3,207</u>	<u>\$ 709,213</u>	<u>\$ 469,566</u>	<u>\$ 32,782,310</u>

See Independent Auditor's Report.

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## INTERNAL SERVICE FUNDS

**Municipal Garage Fund** – To account for the revenues and cost of operations of a central motor pool which includes all City-owned vehicles except fire trucks and buses. Vehicles are rented to using departments at estimated cost of usage. The original equipment was contributed to the Municipal Garage upon its organization on October 1, 1973. Effective with the 1994/5 year, the City adopted a policy of financing additions, as well as replacements, out of the Garage's net earnings from user charges.

**Information Services Fund** – To account for the revenues and costs of operations of the City's data processing system. Charges to using departments are based on estimated cost of providing the service, including depreciation on equipment. This fund was established October 1, 1979, upon transfer of the necessary equipment from the general fixed assets of the City.

**Risk Management Fund** – To account for funds accumulated from operating transfers and from assessments of the various City departments for the purpose of self-insuring liability, workmen's compensation, unemployment claims, and miscellaneous other risks.

**Employee Insurance Funds** – To account for self-insured medical and dental benefits together with life insurance for employees, retirees and covered dependents. Additionally, employee contributions to the flexible benefits plan and related expenditures are accounted for within these funds.

**CITY OF AMARILLO, TEXAS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2013**

	<u>Municipal Garage</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 2,446,365	\$ 739,167	\$ 4,959,424	\$ 6,023,162	\$ 14,168,118
Investments at fair value	4,390,646	2,764,590	10,400,516	4,747,493	22,303,245
Receivables (net of allowances for uncollectibles)					
Accounts	28	622	118,418	571,675	690,743
Accrued interest	25,190	13,381	9,235	4,549	52,355
Due from other funds	2,372	-	-	173,773	176,145
Inventory of supplies at cost	359,942	-	-	-	359,942
Prepaid expenses	-	-	498,072	-	498,072
Total current assets	<u>7,224,543</u>	<u>3,517,760</u>	<u>15,985,665</u>	<u>11,520,652</u>	<u>38,248,620</u>
<b>NONCURRENT ASSETS</b>					
Restricted cash and cash equivalents	1,029,883	-	-	-	1,029,883
Capital assets					
Improvements	265,389	4,485,602	-	-	4,750,991
Accumulated depreciation	(133,591)	(3,103,550)	-	-	(3,237,141)
Equipment	323,342	4,518,201	62,819	10,115	4,914,477
Accumulated depreciation	(273,395)	(3,819,892)	(50,050)	(8,265)	(4,151,602)
Vehicles	56,512,131	-	-	-	56,512,131
Accumulated depreciation	(36,173,678)	-	-	-	(36,173,678)
Construction in progress	503,645	892,667	-	-	1,396,312
Total capital assets, net of accumulated depreciation	<u>21,023,843</u>	<u>2,973,028</u>	<u>12,769</u>	<u>1,850</u>	<u>24,011,490</u>
Total noncurrent assets	<u>22,053,726</u>	<u>2,973,028</u>	<u>12,769</u>	<u>1,850</u>	<u>25,041,373</u>
<b>TOTAL ASSETS</b>	<u>\$ 29,278,269</u>	<u>\$ 6,490,788</u>	<u>\$ 15,998,434</u>	<u>\$ 11,522,502</u>	<u>\$ 63,289,993</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Vouchers payable	\$ 135,096	\$ 34,633	\$ 67,336	\$ 121,814	\$ 358,879
Accounts payable	4,322	-	5	(15,898)	(11,571)
Accrued expenses	81,132	84,509	-	17,586	183,227
Due to other funds	-	-	250,000	175,071	425,071
Bonded debt current maturity	460,000	-	-	-	460,000
Estimated liability for incurred losses	-	-	3,513,254	2,984,474	6,497,728
Current portion of compensated absences	38,199	26,548	-	1,251	65,998
Total current liabilities	<u>718,749</u>	<u>145,690</u>	<u>3,830,595</u>	<u>3,284,298</u>	<u>7,979,332</u>
<b>NONCURRENT LIABILITIES</b>					
Provision for compensated absences, net	210,480	413,145	-	51,738	675,363
Estimated liability for incurred losses, net of current portion	-	-	9,051,057	2,062,949	11,114,006
Bonded debt, net of current	1,898,459	-	-	-	1,898,459
Postemployment benefit	-	-	-	92,442,087	92,442,087
Net pension obligation	105,893	116,390	-	20,205	242,488
Total noncurrent liabilities	<u>2,214,832</u>	<u>529,535</u>	<u>9,051,057</u>	<u>94,576,979</u>	<u>106,372,403</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 2,933,581</u>	<u>\$ 675,225</u>	<u>\$ 12,881,652</u>	<u>\$ 97,861,277</u>	<u>\$ 114,351,735</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 19,632,326	\$ 2,973,028	\$ 12,769	\$ 1,850	\$ 22,619,973
Restricted for debt service	62,941	-	-	-	62,941
Unrestricted	6,649,421	2,842,535	3,104,013	(86,340,625)	(73,744,656)
<b>TOTAL NET POSITION</b>	<u>\$ 26,344,688</u>	<u>\$ 5,815,563</u>	<u>\$ 3,116,782</u>	<u>\$ (86,338,775)</u>	<u>\$ (51,061,742)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Municipal Garage</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ -	\$ -	\$ 47,828	\$ 1,239,463	\$ 1,287,291
Internal charges	12,071,779	4,153,136	4,439,021	12,580,080	33,244,016
Employee contributions	-	-	-	5,073,090	5,073,090
Miscellaneous	-	-	-	1,677	1,677
Total operating revenues	<u>12,071,779</u>	<u>4,153,136</u>	<u>4,486,849</u>	<u>18,894,310</u>	<u>39,606,074</u>
<b>OPERATING EXPENSES</b>					
Salaries, wages, fringes	2,288,338	2,491,289	-	482,496	5,262,123
Supplies	1,779,596	265,000	389,777	113,771	2,548,144
Fuel and oil	3,843,839	-	-	-	3,843,839
Contractual services	90,705	808,246	521,265	87,746	1,507,962
Claims, net of settlements	-	-	3,522,212	19,636,414	23,158,626
Postemployment expense	-	-	-	17,873,257	17,873,257
Other charges	911,096	184,665	1,031,905	581,063	2,708,729
Depreciation	4,458,759	682,530	1,138	372	5,142,799
Total operating expenses	<u>13,372,333</u>	<u>4,431,730</u>	<u>5,466,297</u>	<u>38,775,119</u>	<u>62,045,479</u>
Operating income (loss)	<u>(1,300,554)</u>	<u>(278,594)</u>	<u>(979,448)</u>	<u>(19,880,809)</u>	<u>(22,439,405)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest earnings	36,869	18,083	60,472	32,719	148,143
Changes in value of investments	(5,019)	(3,777)	(13,682)	(6,623)	(29,101)
Interest and fiscal charges	(52,885)	-	-	-	(52,885)
Gain (loss) on property sales	407,489	25,481	-	-	432,970
Miscellaneous revenues	37,135	-	-	-	37,135
Total nonoperating revenues (expenses)	<u>423,589</u>	<u>39,787</u>	<u>46,790</u>	<u>26,096</u>	<u>536,262</u>
Income (loss) before contributions and transfers	<u>(876,965)</u>	<u>(238,807)</u>	<u>(932,658)</u>	<u>(19,854,713)</u>	<u>(21,903,143)</u>
<b>TRANSFERS</b>					
TO MUNICIPALITY - CASH	-	-	-	(189)	(189)
FROM MUNICIPALITY - CASH	1,374,148	55,679	-	-	1,429,827
Change in net position	497,183	(183,128)	(932,658)	(19,854,902)	(20,473,505)
<b>NET POSITION AT BEGINNING OF YEAR</b>					
	<u>25,847,505</u>	<u>5,998,691</u>	<u>4,049,440</u>	<u>(66,483,873)</u>	<u>(30,588,237)</u>
<b>NET POSITION AT END OF YEAR</b>					
	<u>\$ 26,344,688</u>	<u>\$ 5,815,563</u>	<u>\$ 3,116,782</u>	<u>\$ (86,338,775)</u>	<u>\$ (51,061,742)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Municipal Garage</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from other funds	\$ 12,071,779	\$ 4,153,120	\$ 4,615,161	\$ 18,818,134	\$ 39,658,194
Cash payments for goods and services	(6,645,375)	(1,272,745)	(2,928,987)	(1,026,528)	(11,873,635)
Cash payments to employees	(2,263,248)	(2,506,409)	-	(488,219)	(5,257,876)
Cash payments for claims and loss adjustments	-	-	(2,337,728)	(18,908,766)	(21,246,494)
Net cash provided (used) by operating activities	<u>3,163,156</u>	<u>373,966</u>	<u>(651,554)</u>	<u>(1,605,379)</u>	<u>1,280,189</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	1,374,148	55,679	-	-	1,429,827
Transfers to other funds	-	-	-	(189)	(189)
Amounts borrowed from or repaid by other funds	-	-	250,000	11,883	261,883
Amounts loaned to or repaid to other funds	(2,137)	-	-	(11,323)	(13,460)
Net cash provided (used) by noncapital financing activities	<u>1,372,011</u>	<u>55,679</u>	<u>250,000</u>	<u>371</u>	<u>1,678,061</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(8,842,368)	(698,593)	(9,623)	-	(9,550,584)
Principal paid on bond maturities	(460,000)	-	-	-	(460,000)
Proceeds from issuance of bonds	2,786,375	-	-	-	2,786,375
Interest expense	(20,802)	-	-	-	(20,802)
Insurance proceeds	37,135	-	-	-	37,135
Proceeds from sale of equipment	503,679	-	-	-	503,679
Net cash provided (used) by capital financing activities	<u>(5,995,981)</u>	<u>(698,593)</u>	<u>(9,623)</u>	<u>-</u>	<u>(6,704,197)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investment securities	4,250,000	2,250,000	6,385,000	4,500,000	17,385,000
Purchase of investment securities	(2,000,000)	(2,000,000)	(6,398,424)	(3,000,250)	(13,398,674)
Interest and gains (losses) on investments	119,469	44,601	66,408	34,592	265,070
Net cash provided (used) by investing activities	<u>2,369,469</u>	<u>294,601</u>	<u>52,984</u>	<u>1,534,342</u>	<u>4,251,396</u>
Net increase (decrease) in cash and cash equivalents	908,655	25,653	(358,193)	(70,666)	505,449
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>2,567,593</u>	<u>713,514</u>	<u>5,317,617</u>	<u>6,093,828</u>	<u>14,692,552</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 3,476,248</u>	<u>\$ 739,167</u>	<u>\$ 4,959,424</u>	<u>\$ 6,023,162</u>	<u>\$ 15,198,001</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
INTERNAL SERVICE FUNDS  
STATEMENT OF CASH FLOWS, CONTINUED  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Municipal Garage</u>	<u>Information Services</u>	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (1,300,554)	\$ (278,594)	\$ (979,448)	\$ (19,880,809)	\$ (22,439,405)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	4,458,759	682,530	1,138	372	5,142,799
(Increase) decrease in accounts receivable	-	(16)	128,312	(76,176)	52,120
(Increase) decrease in inventories	24,867	-	-	-	24,867
(Increase) decrease in prepaid expenses	-	-	(156,977)	-	(156,977)
Increase (decrease) in vouchers payable	(26,246)	(14,834)	(73,971)	114,670	(381)
Increase (decrease) in accounts payable	(18,760)	-	(755,092)	(358,618)	(1,132,470)
Increase (decrease) in accrued expenses	13,681	12,032	-	(7,345)	18,368
Increase (decrease) in provision for compensated absences	27,212	(8,062)	-	5,076	24,226
Increase (decrease) in estimated claims liabilities	-	-	-	18,600,905	18,600,905
Increase (decrease) in net pension obligation	(15,803)	(19,090)	-	(3,454)	(38,347)
Increase (decrease) in IBNR accrual	-	-	1,184,484	-	1,184,484
Net cash provided (used) by operating activities	<u>\$ 3,163,156</u>	<u>\$ 373,966</u>	<u>\$ (651,554)</u>	<u>\$ (1,605,379)</u>	<u>\$ 1,280,189</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Decreases (increases) in fair values of investments	\$ (5,019)	\$ (3,777)	\$ (13,682)	\$ (6,623)	\$ (29,101)

See Independent Auditor's Report.



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## **GENERAL FUND**

The General Fund accounts for all unrestricted resources except those required to be accounted for in another fund. The revenues and expenditures of the Transit System, Solid Waste Department and the Auditorium-Coliseum are accounted for in this fund.

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**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
BALANCE SHEET  
SEPTEMBER 30, 2013**

**ASSETS**

Cash and cash equivalents	\$ 5,337,623
Investments at fair value	43,233,576
Receivables (net of allowances for uncollectibles)	
Property taxes	347,584
Solid waste and other	1,880,740
Accrued interest	98,978
Other accrued revenue	1,580,100
Due from other funds	984,995
Due from other governments	4,909,843
Inventory of supplies	1,553,581
Prepaid items	7,742
<b>TOTAL ASSETS</b>	<b>\$ 59,934,762</b>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Vouchers payable	\$ 1,413,906
Accounts payable	2,056,919
Accrued expenses	3,307,073
Deposits	136,869
Due to other funds - unrestricted	76,423
Due to other governments	859,548
Deferred revenue property taxes	253,091
Deferred revenues other	117,773
Total liabilities	<u>8,221,602</u>

**FUND BALANCE**

Nonspendable:	
Inventory	1,553,581
Prepaid Items	7,742
Uncollected taxes	94,493
Unassigned	<u>50,057,344</u>
Total fund balance	<u>51,713,160</u>

<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 59,934,762</b>
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See Independent Auditor's Report.

**CITY OF AMARILLO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
SEPTEMBER 30, 2013**

**REVENUES**

Taxes	\$ 108,336,731
License and permits	3,514,170
Interfund revenues	1,675,119
Intergovernmental revenues	3,528,450
Contributions - citizens	22,814
Charges for services	32,318,766
Fines and forfeitures	4,842,882
Investment earnings	298,071
Other rentals and commissions	412,125
Miscellaneous	508,341
	155,457,469

**EXPENDITURES**

Current	
General government	3,409,164
Staff services	9,240,292
Public safety and health	
Police protection	39,509,096
Fire protection	26,045,509
Other	9,320,864
Streets, traffic and engineering	12,852,628
Culture and recreation	
Auditorium-colliseum	3,028,057
Libraries	3,617,582
Parks	6,514,267
Participant recreation	5,214,110
Solid waste	11,311,765
Transit system	4,267,016
Information technology	2,847,562
Tourism	3,083,969
Capital outlay	57,453
	140,319,334

**EXCESS OF REVENUES OVER  
EXPENDITURES**

15,138,135

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds	51,001
Transfers to other funds	(9,740,541)
	5,448,595

Net change in fund balance

**FUND BALANCE, BEGINNING OF YEAR**

46,264,565

**FUND BALANCE, END OF YEAR**

\$ 51,713,160

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
<b>TAXES</b>			
General property taxes			
Ad valorem tax collections	\$ 29,932,254	\$ 29,259,203	\$ 673,051
Penalty and interest on delinquent taxes	301,066	327,508	(26,442)
Water & sewer utility	2,979,037	2,979,040	(3)
General sales tax	52,126,017	48,724,000	3,402,017
Mixed beverage tax	595,016	529,830	65,186
Hotel occupancy tax	5,691,118	4,961,780	729,338
Gross receipts business taxes:			
Electric utility	7,828,363	8,080,430	(252,067)
Telephone utility	1,258,977	1,345,781	(86,804)
Gas utility	2,702,644	2,636,180	66,464
Cable television	1,888,471	1,824,864	63,607
Water & Sewer utility	3,033,768	2,998,336	35,432
Total taxes	<u>108,336,731</u>	<u>103,666,952</u>	<u>4,669,779</u>
<b>LICENSES AND PERMITS</b>			
Food and beverage establishments			
Liquor, beer and wine licenses	94,509	78,147	16,362
Restaurant permits	445,671	439,084	6,587
Food handler permits	35,697	33,372	2,325
Miscellaneous occupational			
Occupational and business	58,087	31,030	27,057
Transient bus licenses	975	781	194
Solicitation permits	7,170	2,834	4,336
Building and structures			
Building permits	2,143,769	968,906	1,174,863
Electrical permits	107,488	86,000	21,488
Plumbing and gas permits	392,943	249,409	143,534
Heating and air permits	103,084	72,000	31,084
Sewage disposal permits	76,317	69,631	6,686
Mobile home parks	48,460	36,450	12,010
Total licenses and permits	<u>3,514,170</u>	<u>2,067,644</u>	<u>1,446,526</u>
<b>INTERFUND REVENUES</b>			
Airport animal control	16,000	12,000	4,000
Communication services	818,382	818,964	(582)
Sales to other funds	731,226	850,000	(118,774)
Other interfund reimbursements	109,511	97,920	11,591
Total interfund revenue	<u>1,675,119</u>	<u>1,778,884</u>	<u>(103,765)</u>
<b>INTERGOVERNMENTAL REVENUES</b>			
General government			
Auditorium Operating Assistance	398,004	397,997	7
Public safety and health			
Emergency Management Participations	322,921	263,782	59,139
Other	58,062	-	58,062
State shared revenues	53,941	56,740	(2,799)
Transit			
Federal/state operating assistance	2,695,522	2,827,487	(131,965)
Total intergovernmental revenues	<u>3,528,450</u>	<u>3,546,006</u>	<u>(17,556)</u>
<b>CONTRIBUTIONS FROM CITIZENS</b>			
Donations unrestricted	22,814	13,500	9,314

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
<b>CHARGES FOR SERVICES</b>			
General government			
Zoning, planning application fees	52,957	42,281	10,676
Sale of city publications	365	635	(270)
Staff services			
Indirect cost reimbursement	1,547,871	1,487,628	60,243
Business type fund administrative fees			
Water & sewer administrative	1,235,482	1,235,479	3
Airport	99,214	99,214	-
Other administrative fees			
Weed mowing contract	262,259	310,000	(47,741)
Weed bad debt adjustment	(340,853)	(368,870)	28,017
Wrecker service contract	64,127	85,000	(20,873)
Fiscal agent fees	128,258	123,114	5,144
Public safety and health			
Police liason officer	815,054	780,000	35,054
AECC participations	789,344	813,123	(23,779)
EMS Support	125,000	123,000	2,000
Warrant fees	617,194	652,800	(35,606)
Traffic accident reports	45,512	50,000	(4,488)
Airport fire service fee	1,667,024	1,667,024	-
Fire inspections	38,620	26,454	12,166
Animal shelter fees	76,790	139,291	(62,501)
Vital statistics fee	259,324	309,300	(49,976)
Miscellaneous health department fees	8,372	8,492	(120)
Culture & recreation			
Auditorium rentals	1,328,786	1,397,806	(69,020)
Auditorium concessions	322,165	293,166	28,999
Auditorium advertising	-	10,770	(10,770)
Auditorium Box Office	389,970	354,000	35,970
Library late fees	116,945	119,501	(2,556)
Library copy charges	26,495	24,000	2,495
Nonresident library fees	12,406	10,000	2,406
Baseball field rentals	65,242	68,740	(3,498)
Golf green fees	1,084,642	998,272	86,370
Golf membership fees	247,067	230,433	16,634
Golf other	488,902	462,797	26,105
Swimming pool fees	154,831	193,350	(38,519)
Tennis center fees	4,530	6,628	(2,098)
Zoo admission fees	217,870	226,504	(8,634)
Rifle range fees	130,802	70,001	60,801
Entry and tournament fees	370,765	489,915	(119,150)
Admission fees	-	-	-
Solid waste			
Collection & disposal fees	16,428,492	16,620,000	(191,508)
Landfill charges	2,754,840	1,608,500	1,146,340
Recyclable materials	103,461	105,000	(1,539)
Forfeited discounts	371,149	374,000	(2,851)
Transit			
Passenger revenue	146,079	118,011	28,068
Demand response	23,272	24,230	(958)
Miscellaneous transit revenue	38,141	24,228	13,913
Total charges for services	<u>32,318,766</u>	<u>31,413,817</u>	<u>904,949</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES, CONTINUED  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Actual revenue</u>	<u>Budget</u>	<u>Variance with final budget positive (negative)</u>
<b>FINES AND FORFEITURES</b>			
Traffic fines	3,183,712	3,151,798	31,914
Misdemeanor fees	635,142	726,240	(91,098)
Parking fines	172,134	230,521	(58,387)
Court Fees	11,280	20,280	(9,000)
Other court revenue	164,380	136,423	27,957
Miscellaneous fines	165,742	188,342	(22,600)
State court costs	510,492	417,181	93,311
Total fines and forfeitures	<u>4,842,882</u>	<u>4,870,785</u>	<u>(27,903)</u>
<b>INVESTMENT EARNINGS</b>			
Interest earnings	298,071	528,422	(230,351)
Total investment earnings	<u>298,071</u>	<u>528,422</u>	<u>(230,351)</u>
<b>OTHER RENTALS AND COMMISSIONS</b>			
Amusement park commissions	108,276	115,050	(6,774)
Municipal building rents	233,680	225,791	7,889
Surface land rents	15,483	15,100	383
Miscellaneous concessions	54,686	67,362	(12,676)
Total rental/commissions	<u>412,125</u>	<u>423,303</u>	<u>(11,178)</u>
<b>MISCELLANEOUS</b>			
Use of money and property:			
Miscellaneous revenues	402,667	335,447	67,220
Discount card sales	523	2,920	(2,397)
Sales to outside utilities	71,550	51,000	20,550
PID reimbursements	28,418	48,000	(19,582)
Appraisal District refunds	6,360	26,018	(19,658)
Discounts earned	1,082	2,300	(1,218)
Sale of property and gains	20,092	5,900	14,192
Bad debt/exp recovery	(22,351)	-	(22,351)
Total miscellaneous	<u>508,341</u>	<u>471,585</u>	<u>36,756</u>
<b>TOTAL REVENUES</b>	<u>\$ 155,457,469</u>	<u>\$ 148,780,898</u>	<u>\$ 6,676,571</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Salaries, wages and fringe benefits	Supplies	Contractual services
<b>GENERAL GOVERNMENT</b>			
Mayor and commission	\$ 2,166	\$ 7,566	\$ 31,595
City manager	822,579	20,590	99,622
City secretary	214,143	17,934	5,501
Municipal court	930,095	50,356	88,891
Judicial	460,558	4,598	4,830
Teen court	28,508	2,165	100
Planning and zoning	438,725	7,920	20,347
Total general government	2,896,774	111,129	250,886
<b>STAFF SERVICES</b>			
Financial administration			
Director of Finance	360,968	7,554	480,112
Accounting	823,093	37,128	175,905
Payroll	183,070	1,660	5,716
Benefits	295,461	462	-
Purchasing	456,769	15,142	22,967
Central stores	289,125	4,658	15,696
Information technology	-	-	-
Legal	899,004	41,042	14,255
Personnel			
Human Resources	360,324	182,681	110,503
Safety and training	319,650	12,453	22,620
Communications	408,784	25,822	488,384
Occupancy			
Custodial operations	791,938	440,112	21,567
Building maintenance	1,332,088	36,084	415,081
Total staff services	6,520,274	804,798	1,772,806
<b>PUBLIC SAFETY AND HEALTH</b>			
Police			
Police	30,910,610	1,400,146	2,370,295
Civilian personnel	2,221,179	-	1,953,083
Miscellaneous police programs	22,903	100	-
Total police protection	33,154,692	1,400,246	4,323,378
Fire protection			
Fire operations	21,520,246	26,887	71,524
Civilian personnel	1,200,400	14,208	10,428
Fire support	696,178	1,430,990	863,593
Total fire protection	23,416,824	1,472,085	945,545
Other			
Building safety	1,763,505	38,928	299,225
Animal control	1,318,880	122,319	147,304
Emergency services	241,729	27,260	34,720
AECC	3,769,503	21,163	296,479
Environmental health	679,835	11,033	78,365
Vital statistics	33,308	11,450	1,860
Total other	7,806,760	232,153	857,953
Total public safety and health	64,378,276	3,104,484	6,126,876

See Independent Auditor's Report.

Other charges	Total	Capital outlay	Total (GAAP) basis
\$ 33,654	\$ 74,981	\$ -	\$ 74,981
29,064	971,855	-	971,855
17,044	254,622	-	254,622
46,300	1,115,642	-	1,115,642
5,177	475,163	-	475,163
1,037	31,810	-	31,810
18,099	485,091	-	485,091
<u>150,375</u>	<u>3,409,164</u>	<u>-</u>	<u>3,409,164</u>
5,507	854,141	-	854,141
16,061	1,052,187	-	1,052,187
1,552	191,998	-	191,998
2,288	298,211	-	298,211
5,964	500,842	-	500,842
(10,241)	299,238	-	299,238
2,847,562	2,847,562	-	2,847,562
17,545	971,846	-	971,846
16,044	669,552	-	669,552
9,096	363,819	-	363,819
12,974	935,964	-	935,964
5,909	1,259,526	-	1,259,526
59,715	1,842,968	-	1,842,968
<u>2,989,976</u>	<u>12,087,854</u>	<u>-</u>	<u>12,087,854</u>
620,874	35,301,925	6,071	35,307,996
9,906	4,184,168	-	4,184,168
-	23,003	-	23,003
<u>630,780</u>	<u>39,509,096</u>	<u>6,071</u>	<u>39,515,167</u>
79,938	21,698,595	-	21,698,595
18,760	1,243,796	-	1,243,796
112,357	3,103,118	-	3,103,118
<u>211,055</u>	<u>26,045,509</u>	<u>-</u>	<u>26,045,509</u>
60,777	2,162,435	-	2,162,435
24,689	1,613,192	-	1,613,192
119,739	423,448	-	423,448
203,229	4,290,374	-	4,290,374
10,887	780,120	-	780,120
4,677	51,295	-	51,295
<u>423,998</u>	<u>9,320,864</u>	<u>-</u>	<u>9,320,864</u>
<u>1,265,833</u>	<u>74,875,469</u>	<u>6,071</u>	<u>74,881,540</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES BY DEPARTMENT (GAAP BASIS), CONTINUED  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Salaries, wages and fringe benefits</u>	<u>Supplies</u>	<u>Contractual services</u>
<b>STREETS, TRAFFIC &amp; ENGINEERING</b>			
Street maintenance	3,190,965	242,102	4,048,037
Traffic engineering	499,650	10,715	32,548
Traffic field operations	807,596	1,753,392	666,813
Engineering	1,392,069	20,845	55,530
Total streets, traffic, engineering	<u>5,890,280</u>	<u>2,027,054</u>	<u>4,802,928</u>
<b>CULTURE &amp; RECREATION</b>			
Auditorium - Coliseum			
Civic Center operations	954,650	624,388	87,037
Civic Center promotions	188,256	25,879	32,253
Box office operations	226,399	5,150	75,089
Civic Center sports	77,171	167,300	83,600
Globe News Center	93,900	124,386	26,989
Library operations	2,620,070	771,347	118,856
Parks			
Parks administration	314,884	28,960	17,048
Park maintenance	3,261,375	1,631,240	1,177,703
Participant recreation			
Ross Rogers Golf Course	715,189	795,116	574,933
Comanche Trail Golf Course	683,036	220,920	390,293
Zoo	268,751	106,555	27,987
Swimming pools	237,333	104,979	60,524
Tennis center	9,952	27,227	58,447
Parks and recreation programs	667,359	69,689	95,343
Total culture and recreation	<u>10,318,325</u>	<u>4,703,136</u>	<u>2,826,102</u>
<b>SOLID WASTE</b>			
Solid waste collection	4,487,983	271,039	3,068,606
Solid waste disposal	1,411,135	114,787	1,573,151
Total solid waste	<u>5,899,118</u>	<u>385,826</u>	<u>4,641,757</u>
<b>TRANSIT</b>			
Fixed route	1,486,948	686,121	39,929
Demand response	876,515	290,277	44,076
Transit maintenance	445,883	1,054	-
Total transit	<u>2,809,346</u>	<u>977,452</u>	<u>84,005</u>
<b>ECONOMIC DEVELOPMENT</b>			
Tourism support	-	-	3,083,969
Total economic development	<u>-</u>	<u>-</u>	<u>3,083,969</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>\$ 98,712,393</u>	<u>\$ 12,113,879</u>	<u>\$ 23,589,329</u>

See Independent Auditor's Report.

Other charges	Total	Capital outlay	Total (GAAP) basis
42,321	7,523,425	-	7,523,425
21,218	564,131	-	564,131
35,487	3,263,288	9,500	3,272,788
33,340	1,501,784	-	1,501,784
<u>132,366</u>	<u>12,852,628</u>	<u>9,500</u>	<u>12,862,128</u>
137,977	1,804,052	9,733	1,813,785
28,204	274,592	10,157	284,749
36,877	343,515	-	343,515
2,462	330,533	-	330,533
30,090	275,365	-	275,365
107,309	3,617,582	-	3,617,582
8,950	369,842	-	369,842
74,107	6,144,425	-	6,144,425
10,182	2,095,420	-	2,095,420
8,614	1,302,863	12,092	1,314,955
2,181	405,474	-	405,474
17,658	420,494	-	420,494
3,112	98,738	-	98,738
58,730	891,121	-	891,121
<u>526,453</u>	<u>18,374,016</u>	<u>31,982</u>	<u>18,405,998</u>
45,761	7,873,389	-	7,873,389
339,303	3,438,376	-	3,438,376
<u>385,064</u>	<u>11,311,765</u>	<u>-</u>	<u>11,311,765</u>
305,506	2,518,504	9,900	2,528,404
74,413	1,285,281	-	1,285,281
16,294	463,231	-	463,231
<u>396,213</u>	<u>4,267,016</u>	<u>9,900</u>	<u>4,276,916</u>
-	3,083,969	-	3,083,969
-	3,083,969	-	3,083,969
<u>\$ 5,846,280</u>	<u>\$ 140,261,881</u>	<u>\$ 57,453</u>	<u>\$ 140,319,334</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2013**

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances
<b>GENERAL GOVERNMENT</b>				
Mayor and Commission	\$ 74,981	\$ -	\$ 74,981	\$ -
City manager	971,855	-	971,855	-
City secretary	254,622	-	254,622	-
Municipal court	1,115,642	-	1,115,642	-
Judicial	475,163	-	475,163	2,307
Teen court	31,810	-	31,810	-
Planning and zoning	485,091	-	485,091	-
Total general government	<u>3,409,164</u>	<u>-</u>	<u>3,409,164</u>	<u>2,307</u>
<b>STAFF SERVICES</b>				
Financial administration				
Director of Finance	854,141	-	854,141	-
Accounting	1,052,187	-	1,052,187	-
Payroll	191,998	-	191,998	-
Benefits	298,211	-	298,211	-
Purchasing	500,842	-	500,842	-
Central stores	299,238	-	299,238	-
Information technology	2,847,562	-	2,847,562	-
Legal	971,846	-	971,846	-
Personnel				
Human Resources	669,552	-	669,552	10,000
Safety and training	363,819	-	363,819	-
Communications	935,964	-	935,964	-
Occupancy				
Custodial operations	1,259,526	-	1,259,526	-
Building maintenance	1,842,968	-	1,842,968	-
Total staff services	<u>12,087,854</u>	<u>-</u>	<u>12,087,854</u>	<u>10,000</u>
<b>PUBLIC SAFETY AND HEALTH</b>				
Police				
Police	35,301,925	6,071	35,307,996	78,336
Civilian personnel	4,184,168	-	4,184,168	-
Tobacco Senate Bill	23,003	-	23,003	-
Total police protection	<u>39,509,096</u>	<u>6,071</u>	<u>39,515,167</u>	<u>78,336</u>
Fire Protection				
Fire operations	21,698,595	-	21,698,595	-
Civilian personnel	1,243,796	-	1,243,796	473
Fire support	3,103,118	-	3,103,118	50,938
Total fire protection	<u>26,045,509</u>	<u>-</u>	<u>26,045,509</u>	<u>51,411</u>
Other				
Building safety	2,162,435	-	2,162,435	-
Animal control	1,613,192	-	1,613,192	-
Emergency services	423,448	-	423,448	-
AECC	4,290,374	-	4,290,374	-
Environmental health	780,120	-	780,120	6,224
Vital statistics	51,295	-	51,295	-
Total other	<u>9,320,864</u>	<u>-</u>	<u>9,320,864</u>	<u>6,224</u>
Total public safety and health	<u>74,875,469</u>	<u>6,071</u>	<u>74,881,540</u>	<u>135,971</u>

See Independent Auditor's Report.

Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
\$ -	\$ 74,981	\$ 103,108	\$ 103,108	\$ 28,127
-	971,855	1,136,299	1,136,584	164,729
168	254,790	371,341	370,245	115,455
-	1,115,642	1,185,088	1,191,937	76,295
1,051	473,907	486,321	487,200	13,293
-	31,810	39,878	40,164	8,354
-	485,091	497,340	499,670	14,579
<u>1,219</u>	<u>3,408,076</u>	<u>3,819,375</u>	<u>3,828,908</u>	<u>420,832</u>
-	854,141	865,518	867,039	12,898
10,244	1,062,431	1,157,788	1,162,608	100,177
-	191,998	193,127	194,462	2,464
-	298,211	296,429	298,189	(22)
2,755	503,597	526,669	529,855	26,258
-	299,238	321,043	323,903	24,665
-	2,847,562	2,847,564	2,847,564	2
-	971,846	976,119	979,011	7,165
14,995	674,547	719,011	701,323	26,776
1,607	365,426	384,618	386,190	20,764
-	935,964	1,062,072	1,064,732	128,768
-	1,259,526	1,427,103	1,434,979	175,453
-	1,842,968	1,910,691	1,920,784	77,816
<u>29,601</u>	<u>12,107,455</u>	<u>12,687,752</u>	<u>12,710,639</u>	<u>603,184</u>
42,333	35,271,993	34,643,365	34,627,969	(644,024)
-	4,184,168	4,057,015	4,077,454	(106,714)
-	23,003	-	-	(23,003)
<u>42,333</u>	<u>39,479,164</u>	<u>38,700,380</u>	<u>38,705,423</u>	<u>(773,741)</u>
-	21,698,595	22,000,255	21,986,805	288,210
-	1,243,323	1,218,227	1,261,115	17,792
92,512	3,144,692	3,113,701	3,085,190	(59,502)
<u>92,512</u>	<u>26,086,610</u>	<u>26,332,183</u>	<u>26,333,110</u>	<u>246,500</u>
4,272	2,166,707	2,394,800	2,388,811	222,104
-	1,613,192	1,604,468	1,613,943	751
-	423,448	433,813	434,385	10,937
-	4,290,374	4,319,950	4,334,982	44,608
-	773,896	1,028,867	1,033,475	259,579
-	51,295	54,110	54,396	3,101
<u>4,272</u>	<u>9,318,912</u>	<u>9,836,008</u>	<u>9,859,992</u>	<u>541,080</u>
<u>139,117</u>	<u>74,884,686</u>	<u>74,868,571</u>	<u>74,898,525</u>	<u>13,839</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS, CONTINUED**  
**YEAR ENDED SEPTEMBER 30, 2013**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>
<b>STREETS, TRAFFIC &amp; ENGINEERING</b>				
Street maintenance	7,523,425	-	7,523,425	6,871
Traffic engineering	564,131	-	564,131	-
Traffic field operations	3,263,288	9,500	3,272,788	47,474
Engineering	1,501,784	-	1,501,784	-
Total streets, traffic, engineering	<u>12,852,628</u>	<u>9,500</u>	<u>12,862,128</u>	<u>54,345</u>
<b>CULTURE &amp; RECREATION</b>				
Auditorium - Coliseum				
Civic Center operations	1,804,052	9,733	1,813,785	9,733
Civic Center promotions	274,592	10,157	284,749	6,624
Box office operations	343,515	-	343,515	10,537
Civic Center Sports	330,533	-	330,533	-
Globe News Center	275,365	-	275,365	-
Library operations	3,617,582	-	3,617,582	6,400
Parks				
Parks administration	369,842	-	369,842	-
Park maintenance	6,144,425	-	6,144,425	-
Participant Recreation				
Ross Rogers Golf Course	2,095,420	-	2,095,420	3,133
Comanche Trail Golf Course	1,302,863	12,092	1,314,955	-
Zoo	405,474	-	405,474	-
Swimming pools	420,494	-	420,494	-
Tennis center	98,738	-	98,738	-
Parks and recreation programs	891,121	-	891,121	-
Total culture and recreation	<u>18,374,016</u>	<u>31,982</u>	<u>18,405,998</u>	<u>36,427</u>
<b>SOLID WASTE</b>				
Solid waste collection	7,873,389	-	7,873,389	-
Solid waste disposal	3,438,376	-	3,438,376	7,073
Total solid waste	<u>11,311,765</u>	<u>-</u>	<u>11,311,765</u>	<u>7,073</u>
<b>TRANSIT</b>				
Fixed route	2,518,504	9,900	2,528,404	13,936
Demand response	1,285,281	-	1,285,281	-
Transit maintenance	463,231	-	463,231	-
Total transit	<u>4,267,016</u>	<u>9,900</u>	<u>4,276,916</u>	<u>13,936</u>
<b>ECONOMIC DEVELOPMENT</b>				
Tourism support	3,083,969	-	3,083,969	35,000
Total economic development	<u>3,083,969</u>	<u>-</u>	<u>3,083,969</u>	<u>35,000</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>\$ 140,261,881</u>	<u>\$ 57,453</u>	<u>\$ 140,319,334</u>	<u>\$ 295,059</u>
<b>OPERATING TRANSFERS:</b>				
Operating Transfers to Other Funds	9,740,541	-	9,740,541	-
Operating Transfers from Other Funds	(51,001)	-	(51,001)	-
<b>TOTALS INCLUDING TRANSFERS</b>	<u>\$ 149,951,421</u>	<u>\$ 57,453</u>	<u>\$ 150,008,874</u>	<u>\$ 295,059</u>

See Independent Auditor's Report.

<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
28,805	7,545,359	9,456,641	8,822,557	1,277,198
-	564,131	610,272	633,003	68,872
46,370	3,271,684	3,350,458	3,357,596	85,912
-	1,501,784	1,552,519	1,559,506	57,722
<u>75,175</u>	<u>12,882,958</u>	<u>14,969,890</u>	<u>14,372,662</u>	<u>1,489,704</u>
33,775	1,837,827	1,895,587	1,903,516	65,689
1,781	279,906	339,226	358,520	78,614
-	332,978	357,552	358,599	25,621
-	330,533	297,602	298,161	(32,372)
2,213	277,578	314,891	315,800	38,222
16,352	3,627,534	3,766,563	3,785,317	157,783
-	369,842	532,501	533,450	163,608
-	6,144,425	6,046,669	6,074,573	(69,852)
3,220	2,095,507	2,127,391	2,129,702	34,195
-	1,314,955	1,436,083	1,439,987	125,032
-	405,474	406,459	407,523	2,049
-	420,494	449,939	449,939	29,445
3,357	102,095	93,092	93,092	(9,003)
-	891,121	1,007,821	1,009,248	118,127
<u>60,698</u>	<u>18,430,269</u>	<u>19,071,376</u>	<u>19,157,427</u>	<u>727,158</u>
-	7,873,389	8,040,858	8,081,426	208,037
10,606	3,441,909	3,537,786	3,559,126	117,217
<u>10,606</u>	<u>11,315,298</u>	<u>11,578,644</u>	<u>11,640,552</u>	<u>325,254</u>
-	2,514,468	2,684,899	2,694,944	180,476
-	1,285,281	1,366,555	1,373,736	88,455
-	463,231	436,819	439,946	(23,285)
-	4,262,980	4,488,273	4,508,626	245,646
50,000	3,098,969	3,251,214	3,251,214	152,245
50,000	3,098,969	3,251,214	3,251,214	152,245
<u>\$ 366,416</u>	<u>\$ 140,390,691</u>	<u>\$ 144,735,095</u>	<u>\$ 144,368,553</u>	<u>\$ 3,977,862</u>
-	9,740,541	9,422,057	9,839,401	98,860
-	(51,001)	(106,917)	(157,717)	(106,716)
<u>\$ 366,416</u>	<u>\$ 150,080,231</u>	<u>\$ 154,050,235</u>	<u>\$ 154,050,237</u>	<u>\$ 3,970,006</u>

See Independent Auditor's Report.



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## **STATEMENTS OF WATER AND SEWER FUND**

This fund accounts for the provision of water and sewer services to residents and commercial enterprises of the City and proximate area. Water is obtained from a number of city-owned well fields, as well as from an allocation of surface water from the Canadian River and underground water from the northeast sector of the Panhandle, both provided by the Canadian River Municipal Water Authority.

**CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 26,378,742
Investments, at fair values	40,279,863
Accounts receivable, net of allowances	5,969,328
Accrued interest receivable	71,974
Other accrued revenue	4,489,465
Prepaid expenses	933,853
Total current assets	78,123,225

**NONCURRENT ASSETS**

Restricted cash and cash equivalents	23,672,965
Other noncurrent receivable	327,102
Capital assets	
Land	1,752,820
Contributed right of way easements	710,384
Underground water rights	56,700,214
Accumulated depletion - water rights	(4,863,498)
Water supply contract	50,336,389
Accumulated amortization - water supply contract	(19,817,665)
Pipelines and plant	554,949,517
Accumulated depreciation - pipelines and plant	(162,185,069)
Equipment and vehicles	4,266,937
Accumulated depreciation - equipment and vehicles	(3,263,184)
Construction in progress	34,064,799
Total capital assets net of accumulated depreciation	512,651,644
Total noncurrent assets	536,651,711

**TOTAL ASSETS**

**\$ 614,774,936**

**LIABILITIES**

**CURRENT LIABILITIES**

Vouchers payable	\$ 683,404
Accounts payable	448,080
Accrued expenses	2,142,244
Deposits	36,899
Consumer security deposits	3,361,020
Share of Water Authority debt, current	5,095,527
Bonded debt current maturity	7,490,000
Current portion of provision for compensated absences	228,074
Total current liabilities	19,485,248

**NONCURRENT LIABILITIES**

Bonded debt, net of current	128,779,108
Water authority debt, net of current	88,758,210
Other accrued expenses	2,979,023
Provision for compensated absences, net	1,148,127
Net pension obligation	551,739
Total noncurrent liabilities	222,216,207

**TOTAL LIABILITIES**

**\$ 241,701,455**

**NET POSITION**

Net investment in capital assets	\$ 300,642,476
Restricted for debt service	5,559,288
Unrestricted	66,871,717

**TOTAL NET POSITION**

**\$ 373,073,481**

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2013**

<b>OPERATING REVENUES</b>	
Utility sales and service	\$ 70,294,693
Tap fees and frontage charges	239,714
Rents and miscellaneous	<u>274,812</u>
Total operating revenues	<u>70,809,219</u>
<b>OPERATING EXPENSES</b>	
Salaries, wages and fringe benefits	11,646,845
Supplies	1,408,294
Fuel and power	4,398,162
Contractual services	4,329,654
Water Authority charges	4,851,074
Other charges	8,501,207
Depreciation	<u>13,378,612</u>
Total operating expenses	<u>48,513,848</u>
Operating income	<u>22,295,371</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Gain on disposal of property	57,883
Interfund reimbursement	651,429
Interest earnings	209,901
Interest and fiscal charges	<u>(6,881,192)</u>
Total nonoperating revenue (expenses)	<u>(5,961,979)</u>
Income before contributions and transfers	16,333,392
Capital contributions	369,472
Transfers to other funds	<u>(172,512)</u>
Change in net position	16,530,352
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<u>356,543,129</u>
<b>TOTAL NET POSITION, END OF YEAR</b>	<u><u>\$ 373,073,481</u></u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from third parties	\$ 69,741,019
Cash payments to suppliers for goods and services	(25,787,153)
Cash payments to employees	<u>(11,822,386)</u>
Net cash provided (used) by operating activities	<u>32,131,480</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Amounts borrowed from or repaid by other funds	651,429
Transfers to other funds	<u>(172,512)</u>
Net cash provided (used) by noncapital financing activities	<u>478,917</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(6,869,901)
Principal paid on revenue bond maturities	(7,290,000)
Principal paid on proportionate share of Water Authority debt	(5,095,526)
Noncurrent receivable	16,848
Proceeds from issuance of bonds	2,370,000
Bond issuance cost	(23,190)
Capital grants received	369,472
Interest expense	(7,511,204)
Proceeds from sale of capital assets	<u>57,883</u>
Net cash provided (used) by capital and related financing activities	<u>(23,975,618)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investment securities	27,975,000
Purchase of investment securities	(33,325,730)
Interest and gains on investments	<u>379,487</u>
Net cash provided (used) by investing activities	<u>(4,971,243)</u>
Net increase in cash and cash equivalents	3,663,536
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>46,388,171</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 50,051,707</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 22,295,371
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	13,378,612
(Increase) decrease in accounts receivable	(367,136)
(Increase) decrease in other accrued revenue	(701,064)
(Increase) decrease in prepaid expenses	29,682
Increase (decrease) in vouchers payable	(1,070,590)
Increase (decrease) in accounts payable	(1,182,553)
Increase (decrease) in accrued operating expenses	(197,092)
Increase (decrease) in customer deposits	220,526
Increase (decrease) in compensated absences	(60,633)
Increase (decrease) in net pension obligation	(83,470)
Increase (decrease) in other accrued expenses	<u>(130,173)</u>
Net cash provided (used) by operating activities	<u>\$ 32,131,480</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	
Amortization of bond issuance costs	\$ 72,482
Increases in fair values of investments	23,197
Interest expense capitalized	766,916
Capital contributions	369,472

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED SEPTEMBER 30, 2013**

<b>UTILITY SALES AND SERVICE</b>	
Water metered sales	\$ 46,968,390
Sewer charges	20,419,533
Industrial waste charges	256,180
Forfeited discounts	1,168,146
Sale of reclaimed water	598,131
Water service charges	1,184,191
Net loss on bad debts	(503,962)
Lab fees	143,814
Liquid waste disposal	60,270
Total utility sales and service	70,294,693
<b>TAP FEES AND FRONTAGE CHARGES</b>	
Water tap fees	153,754
Sewer tap fees	61,124
Water frontage charges	16,628
Sewer frontage charges	8,208
Total tap fees and frontage changes	239,714
<b>RENTS AND MISCELLANEOUS</b>	
Rents and miscellaneous	274,812
Total rents and miscellaneous	274,812
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 70,809,219</b>

See Independent Auditor's Report.

CITY OF AMARILLO, TEXAS  
WATER AND SEWER SYSTEM FUND  
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT  
YEAR ENDED SEPTEMBER 30, 2013

WATER AND SEWER SYSTEM FUND DEPARTMENT	Salaries, Wages & Fringe Benefits	Supplies	Fuel and Power
Water production	\$ 372,757	\$ 36,270	\$ 1,405,557
Water transmission	328,406	34,784	1,564,265
Surface water treatment	1,527,521	409,259	120,851
Water distribution	2,340,685	87,344	1,161
Water - general	-	-	-
Wastewater collection	1,335,572	171,149	159,453
Wastewater treatment	2,118,845	376,016	1,125,161
Environmental laboratory	1,098,077	135,911	21,714
Sewer - general	-	-	-
Utility billing	1,157,773	91,393	-
Director of utilites - admin.	1,367,209	66,168	-
Total operating expenses	<u>\$ 11,646,845</u>	<u>\$ 1,408,294</u>	<u>\$ 4,398,162</u>

See Independent Auditor's Report.

<u>Water Authority Charges</u>	<u>Contractual Services</u>	<u>Other Charges</u>	<u>Depreciation/ Amortization</u>	<u>Total Current Year</u>
\$ -	\$ 360,503	\$ 36,678	\$ 3,663,533	\$ 5,875,298
-	210,212	36,106	2,216,738	4,390,511
4,851,074	325,905	195,501	1,155,044	8,585,155
-	1,117,056	48,929	2,377,076	5,972,251
-	158,952	5,257,325	-	5,416,277
-	579,521	53,698	1,557,880	3,857,273
-	648,613	344,928	2,106,262	6,719,825
-	138,846	(27,874)	91,831	1,458,505
-	-	2,476,321	-	2,476,321
-	736,122	15,987	189,642	2,190,917
-	53,924	63,608	20,606	1,571,515
<u>\$ 4,851,074</u>	<u>\$ 4,329,654</u>	<u>\$ 8,501,207</u>	<u>\$ 13,378,612</u>	<u>\$ 48,513,848</u>

See Independent Auditor's Report.



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## **STATEMENTS OF DRAINAGE UTILITY FUND**

The Drainage Utility Fund provides for a dedicated funding source for the operations and maintenance of the existing storm-water system.

**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY FUND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	2,122,082
Accounts receivable		294,567
		2,416,649

**NONCURRENT ASSETS**

Restricted cash and cash equivalents		1,747,129
Capital assets		
Contributed right of way easements		85,657
Construction in progress		4,567,013
		6,399,799

**TOTAL ASSETS**

**\$ 8,816,448**

**LIABILITIES**

**CURRENT LIABILITIES**

Vouchers payable	\$	31,653
Accounts payable		-
Accrued expenses		16,645
Accrued interest		12,714
Bonded debt current maturity		415,000
Current portion of provision for compensated absences		2,481
		478,493

**NONCURRENT LIABILITIES**

Bonded debt net of current		5,404,993
Other accrued expenses		
Provision for compensated absences, net		47,546
Net pension obligation		(3,521)
		5,449,018

**TOTAL LIABILITIES**

**\$ 5,927,511**

**NET POSITION**

Net investment in capital assets	\$	510,447
Restricted for debt service		69,359
Unrestricted		2,309,131
		2,888,937

**TOTAL NET POSITION**

**\$ 2,888,937**

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2013**

<b>OPERATING REVENUES</b>	
Drainage utility assessments	\$ 4,913,558
Forfeited discounts	76,555
Total operating revenues	<u>4,990,113</u>
<b>OPERATING EXPENSES</b>	
Salaries, wages and fringe benefits	553,212
Supplies	102,203
Fuel and power	-
Contractual services	645,280
Other charges	425,868
Depreciation	-
Total operating expenses	<u>1,726,563</u>
Operating income (loss)	<u>3,263,550</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest earnings	341
Sales to other departments	83,481
Interest and fiscal charges	<u>(18,699)</u>
Total nonoperating revenue (expenses)	<u>65,123</u>
Income before contributions and transfers	3,328,673
Capital contributions	85,657
Transfers to other funds	<u>(478,805)</u>
Change in net position	2,935,525
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<u>(46,588)</u>
<b>TOTAL NET POSITION, END OF YEAR</b>	<u><u>\$ 2,888,937</u></u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from third parties	\$ 4,695,546
Cash payments to suppliers for goods and services	(1,142,154)
Cash payments to employees	<u>(503,645)</u>
Net cash provided (used) by operating activities	<u>3,049,747</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers to other funds	(478,805)
Amounts borrowed from or repaid by other funds	<u>(52,519)</u>
Net cash provided (used) by noncapital financing activities	<u>(531,324)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(4,490,164)
Principal paid on revenue bond maturities	(440,000)
Interest expense	(65,556)
Capital contributions	85,657
Proceeds from issuance of bonds	<u>6,260,000</u>
Net cash provided (used) by capital and related financing activities	<u>1,349,937</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and gains (losses) on investments	<u>341</u>
Net cash provided (used) by investing activities	<u>341</u>
Net increase (decrease) in cash and cash equivalents	3,868,701
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>510</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u><u>\$ 3,869,211</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ 3,263,550
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	(294,574)
Increase (decrease) in vouchers payable	31,204
Increase (decrease) in accrued operating expenses	3,069
Increase (decrease) in compensated absences	50,027
Increase (decrease) in net pension obligation	<u>(3,529)</u>
Net cash provided (used) by operating activities	<u><u>\$ 3,049,747</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	
Interest expense capitalized	\$ 59,571
Capital contributions	83,481

See Independent Auditor's Report.

## **AIRPORT FUND**

This fund accounts for the operation of the Amarillo International Airport. In addition to providing runways, a passenger terminal and related facilities, the Airport includes improvements built by the federal government for an air force base on land which was returned to the City in 1967 and 1970. These facilities, together with later additions, are leased to commercial tenants for warehousing, manufacturing, and aircraft-related activities.

**CITY OF AMARILLO, TEXAS  
AIRPORT FUND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	5,035,522
Investments at fair value		6,570,924
Receivables (net of allowances for uncollectibles)		
Accounts		301,188
Concession arrangement		1,405,984
Accrued interest		17,635
Other accrued revenue		263,066
Due from other funds		250,000
Due from other governments		-
Total current assets		13,844,319

**NONCURRENT ASSETS**

Restricted cash and cash equivalents		250,354
Concession arrangement non-current		622,227
Capital assets		
Land		2,777,341
Runways, buildings and improvements		149,229,038
Accumulated depreciation		(73,559,693)
Equipment and vehicles		4,724,502
Accumulated depreciation		(3,520,451)
Construction in progress		2,369,440
Total capital assets, net of accumulated depreciation		82,020,177
Total noncurrent assets		82,892,758

**TOTAL ASSETS**

**\$ 96,737,077**

**LIABILITIES**

**CURRENT LIABILITIES**

Vouchers payable	\$	227,084
Accounts payable		79,022
Accrued expenses		373,912
Deposits		99,433
Bonded debt current maturity		1,380,000
Current portion of provision for compensated absences		27,587
Total current liabilities		2,187,038

**NONCURRENT LIABILITIES**

Bonded debt, net of current portion		10,490,892
Provision for compensated absences, net		168,649
Net pension obligation		106,777
Total noncurrent liabilities		10,766,318

**TOTAL LIABILITIES**

**\$ 12,953,356**

**DEFERRED INFLOWS OF RESOURCES**

Deferred service concession arrangements receipts	\$	2,028,211
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**TOTAL DEFERRED INFLOWS**

**\$ 2,028,211**

**NET POSITION**

Net investment in capital assets	\$	70,149,285
Restricted for debt service		250,354
Unrestricted		11,355,871

**TOTAL NET POSITION**

**\$ 81,755,510**

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
AIRPORT FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2013**

<b>OPERATING REVENUES</b>	
Airfield fees and commissions	\$ 529,086
Terminal building revenue	5,483,188
Other building revenue	<u>1,525,387</u>
Total operating revenues	<u>7,537,661</u>
<b>OPERATING EXPENSES</b>	
Salaries, wages and fringes	2,443,831
Supplies	153,073
Fuel and power	571,846
Contractual services	516,050
Other charges	2,130,633
Depreciation	<u>4,591,175</u>
Total operating expenses	<u>10,406,608</u>
Operating loss	<u>(2,868,947)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Passenger facility charge	1,470,190
Interest earnings	33,533
Insurance recovery/cost	697,782
Change in value of investments	(5,702)
Gain (loss) on sale of property	3,962
Interest expense	(161,189)
Other miscellaneous revenue	<u>107,469</u>
Net nonoperating revenues (expenses)	<u>2,146,045</u>
Net loss before contributions	(722,902)
<b>CAPITAL CONTRIBUTIONS</b>	2,290,337
<b>TRANSFERS TO OTHER FUNDS</b>	(33,064)
<b>TRANSFERS FROM OTHER FUNDS</b>	<u>12,026</u>
Change in net position	1,546,397
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>80,209,113</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 81,755,510</u></u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
AIRPORT FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from third parties	\$ 7,525,891
Cash payments to suppliers for goods and services	(3,569,297)
Cash payments to employees	<u>(2,493,904)</u>
Net cash provided (used) by operating activities	<u>1,462,690</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	12,026
Amounts loaned to or repaid to other funds	(250,000)
Cash payments received for passenger facility charge	1,470,190
Transfers to other funds	<u>(33,064)</u>
Net cash provided (used) by noncapital financing activities	<u>1,199,152</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(3,327,343)
Principal paid on revenue bond maturities	(1,330,000)
Capital grants received	3,639,682
Interest expense	(537,576)
Proceeds from sale of equipment	112,993
Proceeds from insurance	<u>697,782</u>
Net cash provided (used) by capital and related financing activities	<u>(744,462)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investment securities	6,100,000
Purchase of investment securities	(5,936,008)
Interest and gains (losses) on investments	<u>45,001</u>
Net cash provided (used) by investing activities	<u>208,993</u>
Net increase (decrease) in cash and cash equivalents	2,126,373
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<u>3,159,503</u>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u><u>\$ 5,285,876</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (2,868,947)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	4,591,175
(Increase) decrease in accounts receivable	(8,140)
(Increase) decrease in other accrued revenue	(3,630)
Increase (decrease) in vouchers payable for operations	(56,619)
Increase (decrease) in accounts payable	(118,474)
Increase (decrease) in accrued expenses	(46,801)
Increase (decrease) in deposits received	11,647
Increase (decrease) in provision for compensated absences	(19,702)
Increase (decrease) in net pension obligation	<u>(17,819)</u>
Net cash provided (used) by operating activities	<u>\$ 1,462,690</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	
(Increase) decrease in fair values of investments	\$ (5,702)
Interest expense capitalized	288,490

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
AIRPORT FUND  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED SEPTEMBER 30, 2013**

**AIRFIELD FEES AND COMMISSIONS**

Landing fees	\$ 389,448
Military fuel flowage commission	133,501
Fuel and oil commissions--other	6,137
	529,086
Total airfield fees and commissions	529,086

**TERMINAL BUILDING REVENUES**

Airline rentals	1,509,182
Restaurant commissions	133,829
Locker and vending machine commissions	445
Other terminal building rentals	116,856
Car rental agencies	1,743,648
Auto parking concession	1,979,228
	5,483,188
Total terminal building revenues	5,483,188

**OTHER BUILDING REVENUES**

Lease rentals	
Bell Helicopter	455,824
Krams, Inc.	275,070
Leading Edge	285,021
Fixed base operator	89,937
Other building rentals	179,072
Ground rentals	202,284
Advertising commissions	38,179
	1,525,387
Total other building revenues	1,525,387

**TOTAL OPERATING REVENUES**

\$ 7,537,661

See Independent Auditor's Report.

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## COMBINING SCHEDULES

### Grant Programs

The City participates in the following types of federal, federal-pass-through and state financial assistance programs, many of which benefit the entire 26-county region known as the Panhandle of Texas:

**HUD Programs:** These grants, funded by the U. S. Department of Housing and Urban Development, include both block grants and housing and emergency shelter assistance grants for the benefit of low and moderate-income persons.

**Public Health:** These funds account for grants received for nutrition, immunization, education, and similar public health purposes within the city-bi-county public health district, received primarily through the Texas Department of Health.

**Justice:** These grants are received from the Texas Criminal Justice Division for assistance in both local and Panhandle area crime control, as well as from the Department of Transportation for traffic safety purposes.

**Other:** The City's library administers grants received from the Texas State Library and the Texas Committee for the Humanities for services as an area resource center, as well as for local purposes. The City's transportation planning department administers grants from the U. S. Department of Transportation and the Texas Highway Commission for both general transportation planning and for planning with respect to the Department of Energy's Pantex plant east of the City. The City's parks department administers a summer lunch program for low-income children funded by the U. S. Department of Agriculture.

### Agency and Private-Purpose Trust Funds

The City accounts for the assets of the following other parties:

#### Agency Fund

**Civic Center Operations:** Accounts for individual events at the City of Amarillo Civic Center. Funds are held in these accounts until events occur and are balanced and closed out.

#### Private-Purpose Trust Funds

**Centennial Parkway:** Donations for trees and landscaping along Airport Boulevard.

**Indigent Dog Bite Victim:** Donations for health-related services for qualifying indigent dog bite victims.

**Amarillo Industrial Development Corporation:** Promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare.

**CITY OF AMARILLO, TEXAS  
HOUSING AND URBAN DEVELOPMENT GRANTS  
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES  
SEPTEMBER 30, 2013**

	<u>Community Development Block Grant</u>	<u>Housing Assistance Payments Program</u>	<u>Home Investment Partnership Program</u>	<u>Shelter Plus Care/ Permanent Housing</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,336	\$ 732,498	\$ 11,174	\$ 13,212
Accounts receivable	-	3,537	76,566	-
Due from other funds	85,332	16,360	-	-
Due from other governments	254,198	-	34,946	113,703
Other accrued revenue	4,991	-	-	26,832
Prepaid items	-	625,503	-	-
<b>TOTAL ASSETS</b>	<u>\$ 363,857</u>	<u>\$ 1,377,898</u>	<u>\$ 122,686</u>	<u>\$ 153,747</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 25,591	\$ 128,135	\$ 3,714	\$ -
Due to other funds - unrestricted	218,509	(1,744)	2,903	152,319
Due to other governments	2,980	-	-	-
Deferred revenue	5,000	-	76,666	-
Vouchers payable	111,777	18,113	1,398	407
Total liabilities	<u>363,857</u>	<u>144,504</u>	<u>84,681</u>	<u>152,726</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	-	625,503	-	-
Restricted for:				
Special purposes	-	560,540	38,005	1,021
Committed for:				
Compensated absences	-	47,351	-	-
Total fund balances	<u>-</u>	<u>1,233,394</u>	<u>38,005</u>	<u>1,021</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 363,857</u>	<u>\$ 1,377,898</u>	<u>\$ 122,686</u>	<u>\$ 153,747</u>

See Independent Auditor's Report.

<u>Supportive/ Transitional Housing</u>	<u>Affordable Housing</u>	<u>Emergency Shelter</u>	<u>HMIS</u>	<u>Total</u>
\$ 37,601	\$ 61,396	\$ 4,889	\$ 6,364	\$ 886,470
-	-	-	-	80,103
-	-	-	47,257	148,949
82,140	-	45,616	18,589	549,192
9,563	-	-	-	41,386
-	-	-	-	625,503
<u>\$ 129,304</u>	<u>\$ 61,396</u>	<u>\$ 50,505</u>	<u>\$ 72,210</u>	<u>\$ 2,331,603</u>
\$ -	\$ -	\$ -	\$ 2,209	\$ 159,649
126,605	47,205	27,777	70,000	643,574
-	-	-	-	2,980
-	1,001	-	-	82,667
1,047	-	4,890	-	137,632
<u>127,652</u>	<u>48,206</u>	<u>32,667</u>	<u>72,209</u>	<u>1,026,502</u>
-	-	-	-	625,503
1,652	13,190	17,838	1	632,247
-	-	-	-	47,351
<u>1,652</u>	<u>13,190</u>	<u>17,838</u>	<u>1</u>	<u>1,305,101</u>
<u>\$ 129,304</u>	<u>\$ 61,396</u>	<u>\$ 50,505</u>	<u>\$ 72,210</u>	<u>\$ 2,331,603</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
HOUSING AND URBAN DEVELOPMENT GRANTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2013**

	<b>Community Development Block Grant</b>	<b>Housing Assistance Payments Program</b>	<b>Home Investment Partnership Program</b>
<b>REVENUES</b>			
Grants-in-aid - capital	\$ 1,549,460	\$ 8,170,782	\$ 854,386
Charges for services	13,593	-	10,837
Construction participations	10,159	-	-
Investment earnings	-	4,144	-
Miscellaneous revenues	-	71,799	-
Total revenues	<u>1,573,212</u>	<u>8,246,725</u>	<u>865,223</u>
<b>EXPENDITURES</b>			
Urban redevelopment/housing	<u>1,644,422</u>	<u>8,732,025</u>	<u>874,603</u>
Total expenditures	<u>1,644,422</u>	<u>8,732,025</u>	<u>874,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,210)</u>	<u>(485,300)</u>	<u>(9,380)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to other fund	-	-	-
Operating transfer from other fund	<u>71,210</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>71,210</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(485,300)	(9,380)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>1,718,694</u>	<u>47,385</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,233,394</u>	<u>\$ 38,005</u>

See Independent Auditor's Report.

<u>Shelter Plus Care/ Permanent Housing</u>	<u>Supportive/ Transitional Housing</u>	<u>Affordable Housing</u>	<u>Emergency Shelter</u>	<u>HMIS</u>	<u>Total</u>
\$ 332,161	\$ 180,539	\$ 22,778	\$ 396,403	\$ 57,794	\$ 11,564,303
-	-	-	-	-	24,430
-	-	-	-	-	10,159
-	-	74	-	-	4,218
-	-	-	-	-	71,799
<u>332,161</u>	<u>180,539</u>	<u>22,852</u>	<u>396,403</u>	<u>57,794</u>	<u>11,674,909</u>
<u>332,161</u>	<u>180,539</u>	<u>10,899</u>	<u>376,968</u>	<u>110,183</u>	<u>12,261,800</u>
<u>332,161</u>	<u>180,539</u>	<u>10,899</u>	<u>376,968</u>	<u>110,183</u>	<u>12,261,800</u>
<u>-</u>	<u>-</u>	<u>11,953</u>	<u>19,435</u>	<u>(52,389)</u>	<u>(586,891)</u>
<u>-</u>	<u>-</u>	<u>(47,205)</u>	<u>-</u>	<u>-</u>	<u>(47,205)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,205</u>	<u>118,415</u>
<u>-</u>	<u>-</u>	<u>(47,205)</u>	<u>-</u>	<u>47,205</u>	<u>71,210</u>
<u>-</u>	<u>-</u>	<u>(35,252)</u>	<u>19,435</u>	<u>(5,184)</u>	<u>(515,681)</u>
<u>1,021</u>	<u>1,652</u>	<u>48,442</u>	<u>(1,597)</u>	<u>5,185</u>	<u>1,820,782</u>
<u>\$ 1,021</u>	<u>\$ 1,652</u>	<u>\$ 13,190</u>	<u>\$ 17,838</u>	<u>\$ 1</u>	<u>\$ 1,305,101</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
PUBLIC HEALTH GRANTS  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES  
SEPTEMBER 30, 2013**

	<b>Public Health</b>	<b>Women, Infants &amp; Children</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,143	\$ 19,628	\$ 28,771
Accounts receivable	203,080	-	203,080
Other prepaid expenses	-	921	921
Due from other governments	327,497	216,268	543,765
<b>TOTAL ASSETS</b>	<b>\$ 539,720</b>	<b>\$ 236,817</b>	<b>\$ 776,537</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 54,472	\$ 36,449	\$ 90,921
Due to other funds - unrestricted	35,000	200,000	235,000
Vouchers payable	23,813	368	24,181
Total liabilities	113,285	236,817	350,102
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	-	921	921
Restricted:			
Special purposes	426,435	(921)	425,514
Total fund balances	426,435	-	426,435
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 539,720</b>	<b>\$ 236,817</b>	<b>\$ 776,537</b>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
PUBLIC HEALTH GRANTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Public Health</u>	<u>Women, Infants &amp; Children</u>	<u>Total</u>
<b>REVENUES</b>			
Other entity participation	\$ 820,676	\$ -	\$ 820,676
Intergovernmental revenues	1,832,672	1,181,207	3,013,879
Charges for services	24,403	-	24,403
Total revenues	<u>2,677,751</u>	<u>1,181,207</u>	<u>3,858,958</u>
<b>EXPENDITURES</b>			
Other public safety and health	<u>2,233,887</u>	<u>1,181,207</u>	<u>3,415,094</u>
Total expenditures	<u>2,233,887</u>	<u>1,181,207</u>	<u>3,415,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>443,864</u>	<u>-</u>	<u>443,864</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers to other fund	<u>(17,429)</u>	<u>-</u>	<u>(17,429)</u>
Total other financing sources and uses	<u>(17,429)</u>	<u>-</u>	<u>(17,429)</u>
Net change in fund balances	426,435	-	426,435
<b>FUND BALANCES, AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, AT END OF YEAR</b>	<u>\$ 426,435</u>	<u>\$ -</u>	<u>\$ 426,435</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
JUSTICE GRANTS  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES  
SEPTEMBER 30, 2013**

	<b>Justice Assistant Grant</b>	<b>Selective Traffic Enforcement Program</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ (1,138)	\$ (1,138)
Due from other governments	-	21,138	21,138
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>	<b><u>\$ 20,000</u></b>	<b><u>\$ 20,000</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to other funds - unrestricted	\$ -	\$ 20,000	\$ 20,000
Total liabilities	-	20,000	20,000
<b>FUND BALANCES</b>			
Restricted:			
Special purposes	-	-	-
Total fund balances	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ -</u></b>	<b><u>\$ 20,000</u></b>	<b><u>\$ 20,000</u></b>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**JUSTICE GRANTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2013**

	<b>Justice Assistance Grant</b>	<b>Selective Traffic Enforcement Program</b>	<b>Total</b>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 152,587	\$ 115,929	\$ 268,516
Total revenues	<u>152,587</u>	<u>115,929</u>	<u>268,516</u>
<b>EXPENDITURES</b>			
Police protection	79,028	175,691	254,719
Capital outlay	<u>73,559</u>	<u>-</u>	<u>73,559</u>
Total expenditures	<u>152,587</u>	<u>175,691</u>	<u>328,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(59,762)</u>	<u>(59,762)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other fund	<u>-</u>	<u>59,762</u>	<u>59,762</u>
Total other financing sources and uses	<u>-</u>	<u>59,762</u>	<u>59,762</u>
Net change in fund balances	-	-	-
<b>FUND BALANCES, AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
 MISCELLANEOUS GRANTS  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES,  
 AND FUND BALANCES  
 SEPTEMBER 30, 2013**

	<u>Texas State Library Programs</u>	<u>Urban Transportation Planning</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 2,663
Due from other governments	-	70,702
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 73,365</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable	\$ -	\$ 7,649
Due to other funds - unrestricted	-	65,716
Total liabilities	<u>-</u>	<u>73,365</u>
<b>FUND BALANCES</b>		
Restricted:		
Special purposes	-	-
Total fund balances	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 73,365</u>

See Independent Auditor's Report.

<b>Hazardous Materials Transportation Planning</b>	<b>Pantex Plant Environmental Oversight</b>	<b>Summer Lunch Program</b>	<b>Total</b>
\$ 268,945	\$ 1,415	\$ 36,121	\$ 309,144
-	25,859	-	96,561
<u>\$ 268,945</u>	<u>\$ 27,274</u>	<u>\$ 36,121</u>	<u>\$ 405,705</u>
\$ -	\$ 2,274	\$ -	\$ 9,923
-	25,000	-	90,716
-	27,274	-	100,639
268,945	-	36,121	305,066
268,945	-	36,121	305,066
<u>\$ 268,945</u>	<u>\$ 27,274</u>	<u>\$ 36,121</u>	<u>\$ 405,705</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
 MISCELLANEOUS GRANTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 YEAR ENDED SEPTEMBER 30, 2013**

	<u>Texas State Library Programs</u>	<u>Urban Transportation Planning</u>
<b>REVENUES</b>		
Intergovernmental revenues	\$ -	\$ 372,849
Total revenues	<u>-</u>	<u>372,849</u>
<b>EXPENDITURES</b>		
Libraries	2,384	-
Other public safety and health	-	-
Staff services	-	372,849
Total expenditures	<u>2,384</u>	<u>372,849</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,384)</u>	<u>-</u>
Net change in fund balances	(2,384)	-
<b>FUND BALANCES, AT BEGINNING OF YEAR</b>	<u>2,384</u>	<u>-</u>
<b>FUND BALANCES, AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

<u>Hazardous Materials Transportation Planning</u>	<u>Pantex Plant Environmental Oversight</u>	<u>Summer Lunch Program</u>	<u>Total</u>
\$ -	\$ 118,035	\$ 281,020	\$ 771,904
-	118,035	281,020	771,904
-	-	-	2,384
-	118,035	276,759	394,794
7	-	-	372,856
7	118,035	276,759	770,034
(7)	-	4,261	1,870
(7)	-	4,261	1,870
268,952	-	31,860	303,196
<u>\$ 268,945</u>	<u>\$ -</u>	<u>\$ 36,121</u>	<u>\$ 305,066</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY FUNDS  
 SEPTEMBER 30, 2013**

	<u>Centennial Parkway</u>	<u>Indigent Dog Bite Victim</u>	<u>Amarillo Industrial Development Corporation</u>	<u>Amarillo Health Facilities Corporation</u>	<u>Total Private-Purpose Trust Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,469	\$ 5,001	\$ 23,273	\$ -	\$ 30,743
<b>TOTAL ASSETS</b>	<u>\$ 2,469</u>	<u>\$ 5,001</u>	<u>\$ 23,273</u>	<u>\$ -</u>	<u>\$ 30,743</u>
<b>NET POSITION</b>					
Held in trust for private purposes	\$ 2,469	\$ 5,001	\$ 23,273	\$ -	\$ 30,743
<b>TOTAL NET POSITION</b>	<u>\$ 2,469</u>	<u>\$ 5,001</u>	<u>\$ 23,273</u>	<u>\$ -</u>	<u>\$ 30,743</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUNDS  
 SEPTEMBER 30, 2013**

	<u>Centennial Parkway</u>	<u>Indigent Dog Bite Victim</u>	<u>Amarillo Industrial Development Corporation</u>	<u>Amarillo Health Facilities Corporation</u>	<u>Total Private-Purpose Trust Funds</u>
<b>ADDITIONS:</b>					
Investment earnings	\$ 3	\$ 5	\$ 2	\$ -	\$ 10
Total additions	<u>3</u>	<u>5</u>	<u>2</u>	<u>-</u>	<u>10</u>
<b>DEDUCTIONS:</b>					
Supplies	-	-	-	-	-
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>3</u>	<u>5</u>	<u>2</u>	<u>-</u>	<u>10</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	2,466	4,996	23,271	32,451	63,184
<b>PRIOR PERIOD ADJUSTMENT (NOTE 2)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,451)</u>	<u>(32,451)</u>
<b>NET POSITION, BEGINNING OF YEAR, RESTATED</b>	<u>2,466</u>	<u>4,996</u>	<u>23,271</u>	<u>-</u>	<u>30,733</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 2,469</u>	<u>\$ 5,001</u>	<u>\$ 23,273</u>	<u>\$ -</u>	<u>\$ 30,743</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>CIVIC CENTER OPERATIONS</b>				
Assets				
Cash and cash equivalents	\$ 745,550	\$ 4,096,393	\$ 4,123,406	\$ 718,537
Total assets	<u>\$ 745,550</u>	<u>\$ 4,096,393</u>	<u>\$ 4,123,406</u>	<u>\$ 718,537</u>
Liabilities				
Due to other agencies	\$ 745,550	\$ 4,096,393	\$ 4,123,406	\$ 718,537
Total liabilities	<u>\$ 745,550</u>	<u>\$ 4,096,393</u>	<u>\$ 4,123,406</u>	<u>\$ 718,537</u>

See Independent Auditor's Report.

## SUPPLEMENTARY INFORMATION

The following schedules are presented for the purpose of additional analysis and are not a required part of comprehensive annual financial report. The following types of information are included:

- Schedule of investments by funds
- Schedules concerning ad valorem taxes
- Schedules of outstanding debt issuances
- Schedules for Waterworks and Sewer System
- Schedule for Drainage Utility
- Schedule of insurance coverage - all funds
- Non-Major Special Revenue Budgets

**CITY OF AMARILLO, TEXAS  
SCHEDULE OF INVESTMENTS - BY FUNDS  
SEPTEMBER 30, 2013**

	No-Load Mutual Funds	Taxable Municipal Bonds		
		Amortized Cost	Par Value	Fair Values
<b>GOVERNMENTAL FUNDS</b>				
Unrestricted:				
General Fund	\$ 3,455,002	\$ 5,586,642	\$ 5,260,000	\$ 5,591,317
Housing and Urban Development Grants Funds	26,391	-	-	-
Seizure Funds	6,590	-	-	-
Tax Increment Reinvestment Zone #1	758,319	-	-	-
Compensated Absences	1,456,647	1,273,414	1,320,000	1,273,022
General Obligation Debt	527,516	-	-	-
Public Improvement Districts	28,321	-	-	-
Capital Projects Funds	8,125,005	547,834	530,000	548,321
Miscellaneous special revenue	753,659	-	-	-
Total Unrestricted	15,137,450	7,407,890	7,110,000	7,412,660
Restricted:				
CO Bond Construction 06/07	609,964	-	-	-
Tax Increment Reinvestment Zone #1	-	-	-	-
Total Restricted	609,964	-	-	-
Total Governmental Funds	15,747,414	7,407,890	7,110,000	7,412,660
<b>PROPRIETARY FUNDS</b>				
<b>ENTERPRISE FUNDS</b>				
Unrestricted:				
Water and Sewer Fund	19,839,790	4,204,959	4,050,000	4,206,296
Airport Fund	4,152,417	627,942	590,000	628,380
Drainage Utility	3,677,771	-	-	-
Total Unrestricted	27,669,978	4,832,901	4,640,000	4,834,676
Restricted:				
Water and Sewer Fund	23,672,927	-	-	-
Airport Fund	-	-	-	-
Drainage Utility	69,358	-	-	-
Total Restricted	23,742,285	-	-	-
Total Enterprise Funds	51,412,263	4,832,901	4,640,000	4,834,676
<b>INTERNAL SERVICE FUNDS</b>				
Unrestricted:				
Municipal Garage	1,538,827	-	-	-
Information Services	350,777	-	-	-
Risk Management	4,517,790	1,398,953	1,400,000	1,399,716
Employee Insurance	3,659,650	-	-	-
Total Unrestricted	10,067,044	1,398,953	1,400,000	1,399,716
Restricted:				
Municipal Garage	62,941	-	-	-
Total Internal Service Funds	10,129,985	1,398,953	1,400,000	1,399,716
<b>Totals - All Funds</b>	<b>\$ 77,289,662</b>	<b>\$ 13,639,744</b>	<b>\$ 13,150,000</b>	<b>\$ 13,647,052</b>

See Independent Auditor's Report.

U.S. Treasury Obligations			U.S. Government and Government-Sponsored Agencies		Total Investments at Fair Values	Add Time Deposits	Less Cash Equivalents	Total Investments
Amortized Cost	Par Value	Fair Values	Interest Bearing Obligations					
			Par Values	Fair Values				
\$ 4,060,352	\$ 4,000,000	\$ 4,073,920	\$ 22,810,000	\$ 22,809,387	\$ 35,929,626	\$ 10,758,952	\$ (3,455,002)	\$ 43,233,576
-	-	-	-	-	26,391	-	(26,391)	-
-	-	-	-	-	6,590	-	(6,590)	-
-	-	-	-	-	758,319	530,000	(758,319)	530,000
-	-	-	5,000,000	5,076,232	7,805,901	2,000,000	(1,456,647)	8,349,254
-	-	-	-	-	527,516	-	(527,516)	-
-	-	-	-	-	28,321	-	(28,321)	-
1,538,709	1,500,000	1,541,490	13,500,000	13,516,313	23,731,129	2,000,000	(8,125,005)	17,606,124
-	-	-	-	-	753,659	1,000,000	(753,659)	1,000,000
5,599,061	5,500,000	5,615,410	41,310,000	41,401,932	69,567,452	16,288,952	(15,137,450)	70,718,954
-	-	-	-	-	609,964	-	(609,964)	-
-	-	-	-	-	-	500,000	-	500,000
-	-	-	-	-	609,964	500,000	(609,964)	500,000
5,599,061	5,500,000	5,615,410	41,310,000	41,401,932	70,177,416	16,788,952	(15,747,414)	71,218,954
-	-	-	23,560,000	23,573,567	47,619,653	12,500,000	(19,839,790)	40,279,863
1,538,709	1,500,000	1,541,490	3,400,000	3,401,054	9,723,341	1,000,000	(4,152,417)	6,570,924
-	-	-	-	-	3,677,771	-	(3,677,771)	-
1,538,709	1,500,000	1,541,490	26,960,000	26,974,621	61,020,765	13,500,000	(27,669,978)	46,850,787
-	-	-	-	-	23,672,927	-	(23,672,927)	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	69,358	-	(69,358)	-
-	-	-	-	-	23,742,285	-	(23,742,285)	-
1,538,709	1,500,000	1,541,490	26,960,000	26,974,621	84,763,050	13,500,000	(51,412,263)	46,850,787
-	-	-	3,361,000	3,390,646	4,929,473	1,000,000	(1,538,827)	4,390,646
-	-	-	2,000,000	2,014,590	2,365,367	750,000	(350,777)	2,764,590
-	-	-	7,250,000	7,250,800	13,168,306	1,750,000	(4,517,790)	10,400,516
-	-	-	4,750,000	4,747,493	8,407,143	-	(3,659,650)	4,747,493
-	-	-	17,361,000	17,403,529	28,870,289	3,500,000	(10,067,044)	22,303,245
-	-	-	-	-	62,941	-	(62,941)	-
-	-	-	17,361,000	17,403,529	28,933,230	3,500,000	(10,129,985)	22,303,245
<u>\$ 7,137,770</u>	<u>\$ 7,000,000</u>	<u>\$ 7,156,900</u>	<u>\$ 85,631,000</u>	<u>\$ 85,780,082</u>	<u>\$ 183,873,696</u>	<u>\$ 33,788,952</u>	<u>\$ (77,289,662)</u>	<u>\$ 140,372,986</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**AD VALOREM TAXES RECEIVABLE BY ROLL YEAR**  
**SEPTEMBER 30, 2013**

<u>Roll Year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
2013	\$ 329,282	\$ 31,306	\$ 360,588
2012	157,546	14,978	172,524
2011	117,761	11,992	129,753
2010	98,081	9,988	108,069
2009	74,292	7,566	81,858
2008	57,337	1,205	58,542
2007	49,579	1,135	50,714
2006	44,692	1,079	45,771
2005	36,995	927	37,922
2004	38,636	1,012	39,648
2003	61,554	1,681	63,235
2002	29,144	969	30,113
2001	24,189	-	24,189
2000 & Prior	51,593	-	51,593
Total taxes receivable	1,170,681	83,838	1,254,519
Allowance for uncollectible taxes	823,097	66,908	890,005
Net taxes receivable	347,584	16,930	364,514
Provision for deferred collections	253,091	4,203	257,294
<b>Net taxes available for current expenditure</b>	<b>\$ 94,493</b>	<b>\$ 12,727</b>	<b>\$ 107,220</b>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
SCHEDULE OF CHANGES IN TAXES AVAILABLE  
YEAR ENDED SEPTEMBER 30, 2013**

<b>TAXES AVAILABLE, BEGINNING, Net</b>	<u>\$ 77,476</u>
<b>REVENUES</b>	
Taxes levied	32,832,489
Adjustments	<u>(135,297)</u>
Tax levy net of adjustments	32,697,192
Increase in allowance for uncollectible taxes	(547)
Decrease in provision for deferred collections	<u>152,074</u>
Net revenues	32,848,719
<b>COLLECTIONS</b>	<u>(32,818,975)</u>
Net increase (decrease) in taxes available	<u>29,744</u>
<b>TAXES AVAILABLE, ENDING, Net</b>	<u><u>\$ 107,220</u></u>
<b>TOTAL AD VALOREM TAXES:</b>	
Ad valorem taxes - property tax rolls	\$ 29,932,254
Penalty and interest	301,066
Payment in lieu of property tax	<u>2,979,037</u>
Total General Fund tax revenues	33,212,357
Debt Service	<u>2,875,654</u>
<b>TOTAL TAX REVENUES</b>	<u><u>\$ 36,088,011</u></u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
COMBINED SCHEDULE OF OUTSTANDING DEBT ISSUANCES  
SEPTEMBER 30, 2013**

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates on Outstanding Maturities</u>
<b>GENERAL OBLIGATION DEBT:</b>			
<i>Serviced by Tax Revenues:</i>			
General Obligation Bonds, Series 2009	09/03/09	08/15/22	2.00 - 5.00%
Combination Tax and Revenue Certificate of Obligation Bonds, Series 2007	09/25/07	05/15/27	4.00 - 5.25%
Recovery Zone Build America Bonds, Series 2010	04/15/10	08/15/30	5.81%
<i>Serviced by special assessments and other revenue sources:</i>			
Public Improvement Districts:			
Combination Tax and Revenues Certificates of Obligation			
Series 2001 Greenways	12/20/01	08/15/16	4.45%
Series 2003 Greenways	11/26/03	08/15/23	3.70%
Series 2006 Colonies	05/24/06	02/15/26	4.75%
Series 2008A Greenways	07/17/08	02/15/28	4.28%
Series 2008B Colonies	07/17/08	02/15/28	4.08%
Golf Course Supported:			
Series 2011A	02/03/11	02/15/37	3.50 - 5.25%
Tax Increment Reinvestment Zone #1 Supported:			
Series 2011B	02/03/11	02/15/32	3.50 - 6.00%
Total debt serviced by property taxes, including special assessment and other revenue sources			
<i>Serviced by Municipal Garage Fund Revenue (an Internal Service Fund):</i>			
Municipal Garage Fees and Revenue 2012B	12/12/12	08/15/18	1.00 - 1.250%
<b>REVENUE OBLIGATION DEBT:</b>			
<i>Serviced by Water and Sewer Revenues:</i>			
Waterworks and Sewer Revenue, 2005	09/07/05	04/01/19	4.00 - 5.00%
Waterworks and Sewer Revenue, 2006	12/28/06	04/01/32	4.00 - 4.50%
Waterworks and Sewer Revenue, 2006A	01/18/07	04/01/27	4.25 - 4.375%
Waterworks and Sewer Revenue, 2011	08/30/11	04/01/31	2.00 - 4.125%
General Obligation Bonds, Series 2011	08/30/11	04/01/23	2.00 - 3.125%
Waterworks and Sewer Revenue, 2013	07/10/13	04/01/23	0.010 - 0.850%
Combination Tax and Revenues Certificates of Obligation			
Waterworks and Sewer Tax and Revenue, 2009	04/01/09	05/15/28	0.148 - 3.018%
Waterworks and Sewer Tax and Revenue 2009B	12/29/09	05/15/29	0.021 - 2.587%
Waterworks and Sewer Tax and Revenue 2009C	02/02/10	05/15/31	0.00%
Total bonds serviced by Water and Sewer revenues			
<i>Serviced by Airport Revenue:</i>			
Airport Tax and Revenue, 2009A	09/03/09	02/15/20	3.00 - 5.00%
<i>Serviced by Drainage Fund Revenue:</i>			
Drainage Fees and Revenue, 2012A	12/12/12	08/15/32	1.00 - 2.00%
<b>Total bonds payable*</b>			

\* Does not include the City's proportionate share of the Canadian River Water Authority indebtedness.

\*\* Total interest of \$74,949 less 45% offset subsidy from the United States Treasury.

See Independent Auditor's Report.

Bond Issuances				2013-14 Maturities		
Authorized	Issued	Retired	Outstanding	Principal	Interest	Total
\$ 4,825,000	\$ 4,825,000	\$ 1,040,000	\$ 3,785,000	\$ 355,000	\$ 151,537	\$ 506,537
24,575,000	24,575,000	3,975,000	20,600,000	1,070,000	1,033,013	2,103,013
1,392,000	1,392,000	161,000	1,231,000	60,000	39,337 **	99,337
600,000	600,000	445,000	155,000	50,000	6,897	56,897
620,000	620,000	245,000	375,000	30,000	13,875	43,875
585,000	585,000	154,650	430,350	26,067	19,879	45,946
600,000	600,000	105,000	495,000	25,000	20,651	45,651
1,500,000	1,500,000	265,000	1,235,000	60,000	49,164	109,164
3,750,000	3,750,000	170,000	3,580,000	90,000	163,250	253,250
2,210,000	2,210,000	140,000	2,070,000	75,000	100,763	175,763
40,657,000	40,657,000	6,700,650	33,956,350	1,841,067	1,598,365	3,439,432
2,790,000	2,790,000	460,000	2,330,000	460,000	24,488	484,488
13,650,000	13,650,000	6,100,000	7,550,000	1,110,000	377,500	1,487,500
9,120,000	9,120,000	305,000	8,815,000	315,000	370,125	685,125
9,370,000	9,370,000	-	9,370,000	-	401,531	401,531
16,300,000	16,300,000	1,445,000	14,855,000	615,000	512,638	1,127,638
5,605,000	5,605,000	535,000	5,070,000	455,000	124,575	579,575
1,310,000	1,310,000	-	1,310,000	130,000	2,300	132,300
38,885,000	38,885,000	6,015,000	32,870,000	2,005,000	624,317	2,629,317
47,400,000	47,400,000	5,865,000	41,535,000	1,955,000	744,726	2,699,726
18,075,000	18,075,000	1,785,000	16,290,000	905,000	-	905,000
168,895,000	168,895,000	31,230,000	137,665,000	7,490,000	3,157,712	10,647,712
16,140,000	16,140,000	5,005,000	11,135,000	1,380,000	495,125	1,875,125
6,260,000	6,260,000	440,000	5,820,000	415,000	99,500	514,500
<u>\$ 234,742,000</u>	<u>\$ 234,742,000</u>	<u>\$ 43,835,650</u>	<u>\$ 190,906,350</u>	<u>\$ 11,586,067</u>	<u>\$ 5,375,189</u>	<u>\$ 16,961,256</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**SEPTEMBER 30, 2013**

	General Obligation Bonds and Tax Revenues Certificates of Obligations (Serviced by Tax Revenues)				Tax and Revenues Certificates of Obligation (Serviced by Special Assessments)			Water and Sewer Revenue Bonds (Debt Serviced by Water and Sewer Revenues)		
	Principal	Interest	Treasury Subsidy	Total	Principal	Interest	Total	Principal	Interest	Total
2013-2014	\$ 1,485,000	\$ 1,256,071	\$ (32,184)	\$ 2,708,887	\$ 356,067	\$ 374,479	\$ 730,546	\$ 7,490,000	\$ 3,157,712	\$ 10,647,712
2014-2015	1,541,000	1,193,909	(30,616)	2,704,293	362,331	360,483	722,814	7,585,000	3,064,920	10,649,920
2015-2016	1,607,000	1,127,966	(29,021)	2,705,945	383,659	346,150	729,809	7,700,000	2,956,157	10,656,157
2016-2017	1,684,000	1,051,014	(27,400)	2,707,614	340,051	330,979	671,030	7,810,000	2,833,495	10,643,495
2017-2018	1,750,000	978,445	(25,726)	2,702,719	356,509	317,717	674,226	7,960,000	2,697,553	10,657,553
2018-2019	1,832,000	897,769	(24,027)	2,705,742	368,037	304,000	672,037	8,115,000	2,541,164	10,656,164
2019-2020	1,919,000	808,913	(22,275)	2,705,638	379,643	289,748	669,391	8,325,000	2,364,923	10,689,923
2020-2021	2,005,000	715,742	(20,472)	2,700,270	401,325	274,596	675,921	8,505,000	2,191,919	10,696,919
2021-2022	2,102,000	617,065	(18,641)	2,700,424	418,088	258,250	676,338	8,715,000	1,998,753	10,713,753
2022-2023	1,703,000	512,367	(16,759)	2,198,608	434,936	240,868	675,804	8,920,000	1,788,278	10,708,278
2023-2024	1,790,000	422,553	(14,850)	2,197,703	401,875	222,601	624,476	8,720,000	1,557,775	10,277,775
2024-2025	1,882,000	328,155	(12,890)	2,197,265	423,909	203,858	627,767	8,950,000	1,329,863	10,279,863
2025-2026	1,978,000	228,920	(10,876)	2,196,044	413,920	183,419	597,339	9,200,000	1,086,119	10,286,119
2026-2027	2,081,000	124,638	(8,837)	2,196,801	420,000	163,387	583,387	9,465,000	827,892	10,292,892
2027-2028	83,000	14,932	(6,720)	91,212	445,000	142,138	587,138	8,330,000	557,420	8,887,420
2028-2029	86,000	10,109	(4,550)	91,559	305,000	122,875	427,875	5,930,000	332,096	6,262,096
2029-2030	88,000	5,112	(2,301)	90,811	320,000	105,800	425,800	2,605,000	176,262	2,781,262
2030-2031	-	-	-	-	340,000	87,750	427,750	2,685,000	105,262	2,790,262
2031-2032	-	-	-	-	360,000	68,363	428,363	655,000	29,476	684,476
2032-2033	-	-	-	-	200,000	53,025	253,025	-	-	-
2033-2034	-	-	-	-	210,000	42,263	252,263	-	-	-
2034-2035	-	-	-	-	220,000	30,975	250,975	-	-	-
2035-2036	-	-	-	-	235,000	19,030	254,030	-	-	-
2036-2037	-	-	-	-	245,000	6,432	251,432	-	-	-
<b>Totals</b>	<b>\$ 25,616,000</b>	<b>\$ 10,293,680</b>	<b>\$ (308,145)</b>	<b>\$ 35,601,535</b>	<b>\$ 8,340,350</b>	<b>\$ 4,549,186</b>	<b>\$ 12,889,536</b>	<b>\$ 137,665,000</b>	<b>\$ 31,597,039</b>	<b>\$ 169,262,039</b>

Note: Does not include the City's proportionate share of the Canadian River Water Authority indebtedness.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**COMBINED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY, CONTINUED**  
**SEPTEMBER 30, 2013**

	<b>Airport Bonds</b> <b>(Debt Serviced by Airport Revenues)</b>			<b>Drainage Utility Bonds</b> <b>(Debt Serviced by Drainage Revenues)</b>			<b>Municipal Garage Bonds</b> <b>(Debt Serviced by Municipal Garage Revenues)</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013-2014	\$ 1,380,000	\$ 495,125	\$ 1,875,125	\$ 415,000	\$ 99,500	\$ 514,500	\$ 460,000	\$ 24,488	\$ 484,488
2014-2015	1,440,000	433,650	1,873,650	420,000	95,350	515,350	460,000	19,888	479,888
2015-2016	1,510,000	362,025	1,872,025	425,000	91,150	516,150	465,000	15,288	480,288
2016-2017	1,580,000	290,775	1,870,775	430,000	86,900	516,900	470,000	10,638	480,638
2017-2018	1,655,000	215,900	1,870,900	245,000	82,600	327,600	475,000	5,936	480,936
2018-2019	1,740,000	131,025	1,871,025	250,000	77,700	327,700	-	-	-
2019-2020	1,830,000	43,762	1,873,762	250,000	72,700	322,700	-	-	-
2020-2021	-	-	-	255,000	67,700	322,700	-	-	-
2021-2022	-	-	-	260,000	62,600	322,600	-	-	-
2022-2023	-	-	-	260,000	57,400	317,400	-	-	-
2023-2024	-	-	-	265,000	52,200	317,200	-	-	-
2024-2025	-	-	-	270,000	46,900	316,900	-	-	-
2025-2026	-	-	-	275,000	41,500	316,500	-	-	-
2026-2027	-	-	-	285,000	36,000	321,000	-	-	-
2027-2028	-	-	-	290,000	30,300	320,300	-	-	-
2028-2029	-	-	-	295,000	24,500	319,500	-	-	-
2029-2030	-	-	-	300,000	18,600	318,600	-	-	-
2030-2031	-	-	-	310,000	12,600	322,600	-	-	-
2031-2032	-	-	-	320,000	6,400	326,400	-	-	-
2032-2033	-	-	-	-	-	-	-	-	-
2033-2034	-	-	-	-	-	-	-	-	-
2034-2035	-	-	-	-	-	-	-	-	-
2035-2036	-	-	-	-	-	-	-	-	-
2036-2037	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 11,135,000</b>	<b>\$ 1,972,262</b>	<b>\$ 13,107,262</b>	<b>\$ 5,820,000</b>	<b>\$ 1,062,600</b>	<b>\$ 6,882,600</b>	<b>\$ 2,330,000</b>	<b>\$ 76,238</b>	<b>\$ 2,406,238</b>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
BOND PRINCIPAL REPAYMENT SCHEDULE  
SEPTEMBER 30, 2013**

<u>Fiscal Year Ending 09/30</u>	<u>Principal Repayment Schedule</u>	<u>Bonds Remaining Unpaid at End of Year</u>	<u>Percent of Principal Retired</u>
2014	\$ 7,490,000	\$ 130,175,000	5.44%
2015	7,585,000	122,590,000	10.95%
2016	7,700,000	114,890,000	16.54%
2017	7,810,000	107,080,000	22.22%
2018	7,960,000	99,120,000	28.00%
2019	8,115,000	91,005,000	33.89%
2020	8,325,000	82,680,000	39.94%
2021	8,505,000	74,175,000	46.12%
2022	8,715,000	65,460,000	52.45%
2023	8,920,000	56,540,000	58.93%
2024	8,720,000	47,820,000	65.26%
2025	8,950,000	38,870,000	71.76%
2026	9,200,000	29,670,000	78.45%
2027	9,465,000	20,205,000	85.32%
2028	8,330,000	11,875,000	91.37%
2029	5,930,000	5,945,000	95.68%
2030	2,605,000	3,340,000	97.57%
2031	2,685,000	655,000	99.52%
2032	655,000	-	100.00%
	<u>\$ 137,665,000</u>		

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
HISTORICAL FINANCIAL DATA  
OPERATING STATEMENTS**

	Fiscal Years Ended September 30						
	2013	2012	2011	2010	2009	2008	2007
<b>OPERATING REVENUES</b>	\$ 70,809,219	\$ 69,656,085	\$ 69,118,868	\$ 54,601,904	\$ 50,253,220	\$ 48,492,400	\$ 42,708,719
<b>OPERATING EXPENSES <sup>(1)</sup></b>							
Personal Services	11,646,845	11,394,284	11,204,778	11,912,936	11,688,167	10,509,419	10,267,666
Supplies	1,408,294	1,303,399	1,340,547	1,223,082	1,265,460	1,252,065	1,230,636
Contractual & Other Services	22,080,097	21,419,337	21,593,837	21,300,695	21,487,366	22,039,131	20,148,372
Total expenses	<u>35,135,236</u>	<u>34,117,020</u>	<u>34,139,162</u>	<u>34,436,713</u>	<u>34,440,993</u>	<u>33,800,615</u>	<u>31,646,674</u>
<b>NONOPERATING REVENUES (EXPENSES) <sup>(2)</sup></b>	<u>(3,401,054)</u>	<u>(3,665,377)</u>	<u>4,696,784</u>	<u>(2,272,491)</u>	<u>(1,789,663)</u>	<u>(1,207,585)</u>	<u>(301,399)</u>
<b>NET AVAILABLE FOR DEBT SERVICE</b>	<u>\$ 32,272,929</u>	<u>\$ 31,873,688</u>	<u>\$ 39,676,490</u>	<u>\$ 17,892,700</u>	<u>\$ 14,022,564</u>	<u>\$ 13,484,200</u>	<u>\$ 10,760,646</u>
<b>ANNUAL DEBT SERVICE</b>							
Principal	\$ 7,490,000	\$ 7,290,000	\$ 7,210,000	\$ 5,350,000	\$ 1,290,000	\$ 1,245,000	\$ 2,770,000
Interest	<u>3,157,712</u>	<u>3,232,174</u>	<u>2,998,168</u>	<u>2,884,844</u>	<u>2,017,904</u>	<u>1,765,242</u>	<u>1,626,605</u>
<b>TOTAL DEBT SERVICE</b>	<u>\$ 10,647,712</u>	<u>\$ 10,522,174</u>	<u>\$ 10,208,168</u>	<u>\$ 8,234,844</u>	<u>\$ 3,307,904</u>	<u>\$ 3,010,242</u>	<u>\$ 4,396,605</u>
Coverage	3.03x	3.03x	3.89x	2.17x	4.24x	4.48x	2.45x

(1) Excludes depreciation

(2) Includes CRMWA interest expense, but excludes bond interest expense

**NET POSITION  
(As of SEPTEMBER 30, 2013)**

Net Investment in Capital Assets	\$ 300,642,476
Restricted for Revenue Bond Debt Retirement	5,559,288
Unrestricted	<u>66,871,717</u>
<b>Total Net Position</b>	<u>\$ 373,073,481</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
HISTORICAL FINANCIAL DATA  
CITY'S EQUITY IN SYSTEM**

	<b>Fiscal Years Ended September 30</b>						
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Waterworks and sewer system in service	\$ 668,716,261	\$ 658,740,846	\$ 596,302,019	\$ 507,674,625	\$ 491,036,495	\$ 471,959,370	\$ 455,446,116
Reserve for depreciation	(190,129,416)	(176,837,047)	(163,814,038)	(153,617,168)	(143,615,988)	(134,149,886)	(124,874,763)
Net plant in service	478,586,845	481,903,799	432,487,981	354,057,457	347,420,507	337,809,484	330,571,353
Plus construction in progress	34,064,799	36,349,481	16,228,356	30,597,915	11,655,875	21,367,938	17,046,285
Net plant in service and coming on line	512,651,644	518,253,280	448,716,337	384,655,372	359,076,382	359,177,422	347,617,638
Plus restricted assets and other noncurrent assets	24,000,067	27,143,194	57,987,789	87,258,165	44,080,326	4,655,463	5,253,485
Plus working capital	66,127,977	51,196,475	45,089,347	28,518,711	29,781,899	29,575,921	40,661,784
Total assets	<u>602,779,688</u>	<u>596,592,949</u>	<u>551,793,473</u>	<u>500,432,248</u>	<u>432,938,607</u>	<u>393,408,806</u>	<u>393,532,907</u>
Other noncurrent liabilities	222,216,207	232,759,820	208,225,418	190,492,089	139,031,888	102,971,513	107,268,456
Plus liabilities payable from restricted assets	7,490,000	7,290,000	7,210,000	5,350,000	1,335,000	1,290,000	1,245,000
Total obligations	<u>229,706,207</u>	<u>240,049,820</u>	<u>215,435,418</u>	<u>195,842,089</u>	<u>140,366,888</u>	<u>104,261,513</u>	<u>108,513,456</u>
<b>City's equity in system</b>	<u><u>\$ 373,073,481</u></u>	<u><u>\$ 356,543,129</u></u>	<u><u>\$ 336,358,055</u></u>	<u><u>\$ 304,590,159</u></u>	<u><u>\$ 292,571,719</u></u>	<u><u>\$ 289,147,293</u></u>	<u><u>\$ 285,019,451</u></u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEMS  
HISTORICAL FINANCIAL DATA  
WATER AND SEWER FUND OPERATIONS**

	Fiscal Years Ended September 30						
	2013	2012	2011	2010	2009	2008	2007
<b>OPERATING REVENUES</b>							
Water sales	\$ 46,968,390	\$ 46,807,157	\$ 47,322,272	\$ 35,062,958	\$ 32,260,187	\$ 31,678,129	\$ 27,911,290
Sewer charges	20,419,533	19,377,899	18,555,334	16,295,031	15,132,268	13,493,693	12,202,722
Industrial surcharges	316,450	226,620	187,398	114,904	70,470	95,630	113,610
Forfeited discounts - water	1,168,146	1,171,110	1,114,010	923,777	842,068	800,837	677,411
Sale of reclaimed water	598,131	670,041	767,589	772,639	761,885	839,581	697,706
Water service charges	1,184,191	1,176,520	1,109,047	883,873	847,347	848,657	855,963
Water tap fees	153,754	130,810	129,425	136,410	133,100	190,450	154,027
Sewer tap fees	61,124	71,993	50,210	59,387	50,509	76,825	74,193
Water frontage charges	16,628	14,855	7,123	15,920	17,214	30,240	4,592
Sewer frontage charges	8,208	25,074	9,723	12,345	3,750	27,354	7,348
Net loss on bad debts	(503,962)	(502,057)	(552,113)	(258,377)	(284,457)	(254,360)	(243,740)
Lab fees	143,814	175,921	157,710	118,412	86,264	78,110	70,907
Miscellaneous	274,812	310,142	261,140	464,625	332,615	587,254	182,690
Total operating revenues	<u>70,809,219</u>	<u>69,656,085</u>	<u>69,118,868</u>	<u>54,601,904</u>	<u>50,253,220</u>	<u>48,492,400</u>	<u>42,708,719</u>
<b>OPERATING EXPENSES</b>							
Salaries, wages and fringe benefits	11,646,845	11,394,284	11,204,778	11,912,936	11,688,167	10,509,419	10,267,666
Supplies	1,408,294	1,303,399	1,340,547	1,223,082	1,265,460	1,252,065	1,230,636
Fuel and power	4,398,162	4,476,328	4,896,302	4,013,217	4,535,483	6,555,099	5,281,354
Surface water	4,851,074	4,682,183	4,772,154	3,949,399	4,000,658	4,314,844	4,432,158
Other contractual charges	4,329,654	4,216,512	4,271,613	6,046,353	4,803,561	4,577,276	4,029,217
Other charges	8,501,207	8,044,314	7,653,768	7,291,726	8,147,664	6,591,912	6,405,643
Depreciation	13,378,612	13,110,658	10,492,183	10,097,129	9,505,120	9,348,296	8,718,244
Less: interfund reimbursements	(651,429)	(577,802)	(509,369)	(487,504)	(412,322)	(449,141)	(408,145)
Total operating expenses	<u>47,862,419</u>	<u>46,649,876</u>	<u>44,121,976</u>	<u>44,046,338</u>	<u>43,533,791</u>	<u>42,699,770</u>	<u>39,956,773</u>
Operating income	<u>22,946,800</u>	<u>23,006,209</u>	<u>24,996,892</u>	<u>10,555,566</u>	<u>6,719,429</u>	<u>5,792,630</u>	<u>2,751,946</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Capital contributions	369,472	4,587,476	4,206,347	6,657,116	353,948	1,106,357	1,828,471
Interest earnings	209,901	170,434	191,138	398,055	881,453	1,590,376	2,804,084
Change in Fair Values of Investments	-	-	-	-	-	-	-
Disposition of property	57,883	(161,536)	6,974,932	14,646	20,351	30,888	25,548
Interest expense & fiscal charges	(6,881,192)	(7,030,181)	(4,600,102)	(5,568,544)	(4,459,891)	(4,303,033)	(4,298,916)
Total nonoperating revenues (expenses)	<u>(6,243,936)</u>	<u>(2,433,807)</u>	<u>6,772,315</u>	<u>1,501,273</u>	<u>(3,204,139)</u>	<u>(1,575,412)</u>	<u>359,187</u>
Total income before transfers	16,702,864	20,572,402	31,769,207	12,056,839	3,515,290	4,217,218	3,111,133
<b>TRANSFERS FROM (TO) OTHER FUNDS</b>	<u>(172,512)</u>	<u>(387,328)</u>	<u>(1,311)</u>	<u>(38,400)</u>	<u>(90,864)</u>	<u>(89,376)</u>	<u>(190,156)</u>
<b>NET INCOME</b>	<u>\$ 16,530,352</u>	<u>\$ 20,185,074</u>	<u>\$ 31,767,896</u>	<u>\$ 12,018,439</u>	<u>\$ 3,424,426</u>	<u>\$ 4,127,842</u>	<u>\$ 2,920,977</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
HISTORICAL FINANCIAL DATA  
WATER AND SEWER FUND NET POSITION**

	Fiscal Years Ended September 30						
	2013	2012	2011	2010	2009	2008	2007
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	\$ 26,378,742	\$ 19,588,927	\$ 20,183,545	\$ 2,815,848	\$ 1,735,136	\$ 8,528,047	\$ 8,500,435
Investments - at fair market value	40,279,863	35,148,563	30,501,543	28,323,250	36,579,772	23,442,437	38,441,471
Receivables (net of allowance for uncollectibles):							
Accounts	5,969,328	5,602,192	4,647,849	4,409,223	3,560,095	3,716,402	4,052,683
Accrued interest	71,974	60,022	74,346	250,099	166,365	150,298	291,451
Other accrued revenue	4,489,465	3,788,401	3,888,645	3,079,289	2,829,096	2,581,211	2,628,454
Prepaid expenses	933,853	963,535	24,496	90,534	93,060	21,535	22,836
Total current assets	<u>78,123,225</u>	<u>65,151,640</u>	<u>59,320,424</u>	<u>38,968,243</u>	<u>44,963,524</u>	<u>38,439,930</u>	<u>53,937,330</u>
<b>NONCURRENT ASSETS</b>							
Restricted cash	23,672,965	26,799,244	57,627,797	59,213,925	44,080,326	4,655,463	5,253,485
Restricted investments at fair value	-	-	-	28,044,240	-	-	-
Other noncurrent receivable	327,102	343,950	359,992	-	-	-	-
Capital assets							
Land, easements and water rights	59,163,418	59,023,252	41,513,892	38,622,957	38,459,728	37,961,382	37,934,912
Accumulated depletion water rights	(4,863,498)	(4,107,495)	(3,390,564)	(2,882,654)	(2,393,228)	(1,903,803)	(1,414,701)
Supply contract	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389	50,336,389
Accumulated amortization	(19,817,665)	(19,053,650)	(18,287,542)	(17,523,528)	(16,759,513)	(15,995,450)	(15,229,295)
Pipelines and other improvements	554,949,517	545,610,923	500,590,181	414,863,547	398,448,386	379,991,136	363,671,746
Accumulated depreciation	(162,185,069)	(150,524,679)	(139,007,092)	(130,173,118)	(121,455,798)	(113,326,071)	(105,355,484)
Equipment	4,266,937	3,770,282	3,861,557	3,851,732	3,791,992	3,670,463	3,503,069
Accumulated depreciation	(3,263,184)	(3,151,223)	(3,128,840)	(3,037,868)	(3,007,449)	(2,924,562)	(2,875,283)
Construction in progress	34,064,799	36,349,481	16,228,356	30,597,915	11,655,875	21,367,938	17,046,285
Total capital assets, net	<u>512,651,644</u>	<u>518,253,280</u>	<u>448,716,337</u>	<u>384,655,372</u>	<u>359,076,382</u>	<u>359,177,422</u>	<u>347,617,638</u>
Total noncurrent assets	<u>536,651,711</u>	<u>545,396,474</u>	<u>506,704,126</u>	<u>471,913,537</u>	<u>403,156,708</u>	<u>363,832,885</u>	<u>352,871,123</u>
<b>TOTAL ASSETS</b>	<u>\$ 614,774,936</u>	<u>\$ 610,548,114</u>	<u>\$ 566,024,550</u>	<u>\$ 510,881,780</u>	<u>\$ 448,120,232</u>	<u>\$ 402,272,815</u>	<u>\$ 406,808,453</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
HISTORICAL FINANCIAL DATA  
WATER AND SEWER FUND NET POSITION, CONTINUED**

	Fiscal Years Ended September 30						
	2013	2012	2011	2010	2009	2008	2007
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Vouchers payable	\$ 683,404	\$ 1,753,994	\$ 2,528,424	\$ 1,238,357	\$ 1,133,500	\$ 1,291,941	\$ 1,827,014
Accounts payable	448,080	1,630,633	3,473,670	705,089	305,704	659,793	346,083
Accrued expenses	2,142,244	2,339,336	1,193,893	1,963,363	1,341,568	1,079,137	573,476
Securities lending collateral	-	-	230,595	-	6,375,189	-	5,028,928
Deposits	36,899	32,740	31,662	31,548	30,512	37,671	31,774
Consumer security deposits	3,361,020	3,144,653	3,047,063	2,948,429	2,866,116	2,814,605	2,623,664
Compensated absences, current	228,074	187,561	168,340	148,137	134,195	-	-
Proportionate share of Water							
Authority indebtedness - current installments	5,095,527	4,866,248	3,557,430	3,414,609	2,994,841	2,980,862	2,844,607
Due to other funds	-	-	-	-	-	-	-
Revenue bonds - current maturities	7,490,000	7,290,000	7,210,000	5,350,000	1,335,000	1,290,000	1,245,000
Total current liabilities	<u>19,485,248</u>	<u>21,245,165</u>	<u>21,441,077</u>	<u>15,799,532</u>	<u>16,516,625</u>	<u>10,154,009</u>	<u>14,520,546</u>
<b>NONCURRENT LIABILITIES</b>							
Revenue bonds - less current maturities and unamortized issuance costs	128,779,108	133,829,981	139,432,250	118,201,627	73,360,035	35,820,349	37,012,208
Proportionate share of Water							
Authority indebtedness - less current installments	88,758,210	93,936,161	63,736,522	67,501,999	62,686,378	65,799,502	68,901,455
Other accrued expenses	2,979,023	3,109,196	3,150,000	2,718,836	1,316,942	-	-
Provision for accrued sick and annual leave	1,148,127	1,249,273	1,275,330	1,305,751	1,340,334	1,351,662	1,354,793
Net pension obligation	551,739	635,209	631,316	763,876	328,199	-	-
Total noncurrent liabilities	<u>222,216,207</u>	<u>232,759,820</u>	<u>208,225,418</u>	<u>190,492,089</u>	<u>139,031,888</u>	<u>102,971,513</u>	<u>107,268,456</u>
Total liabilities	<u>241,701,455</u>	<u>254,004,985</u>	<u>229,666,495</u>	<u>206,291,621</u>	<u>155,548,513</u>	<u>113,125,522</u>	<u>121,789,002</u>
<b>NET POSITION</b>							
Net investment in capital assets	300,642,476	299,800,814	286,963,208	272,063,445	258,921,318	253,286,709	237,614,368
Restricted for debt service	5,559,288	5,329,320	5,444,724	31,857	2,524,136	3,365,463	4,008,485
Unrestricted	66,871,717	51,412,995	43,950,123	32,494,857	31,126,265	32,495,121	43,396,598
Total net position	<u>373,073,481</u>	<u>356,543,129</u>	<u>336,358,055</u>	<u>304,590,159</u>	<u>292,571,719</u>	<u>289,147,293</u>	<u>285,019,451</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 614,774,936</u>	<u>\$ 610,548,114</u>	<u>\$ 566,024,550</u>	<u>\$ 510,881,780</u>	<u>\$ 448,120,232</u>	<u>\$ 402,272,815</u>	<u>\$ 406,808,453</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
DRAINAGE UTILITY  
DEBT COVENANT  
COMPLIANCE TESTWORK  
YEAR ENDED SEPTEMBER 30, 2013**

<b>OPERATING REVENUES</b>	<u>\$ 4,990,113</u>
<b>OPERATING EXPENSES</b>	
Personal Services	553,212
Contractual & Other Services	645,280
Other Supplies and Expenses	102,203
Other Charges	<u>425,868</u>
Total expenses	<u>1,726,563</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	<u>83,822</u>
<b>NET AVAILABLE FOR DEBT SERVICE</b>	<u><u>\$ 3,347,372</u></u>
<b>ANNUAL DEBT SERVICE</b>	
Principal	\$ 415,000
Interest	<u>99,500</u>
<b>TOTAL DEBT SERVICE</b>	<u><u>\$ 514,500</u></u>
Coverage	6.51x

(1) Nonoperating revenues (expenses) exclude bond interest expense, capital contributions and transfers.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
SCHEDULE OF INSURANCE COVERAGE--ALL FUNDS  
SEPTEMBER 30, 2013**

<u>Property Covered</u>	<u>Type of Coverage</u>	<u>Self-Insured Retention</u>	<u>Limits of Liability</u>
General Fund Departments:			
Buildings & Contents	Fire and extended coverage	\$250,000	\$383,996,608
Water and Sewer Utility:			
Buildings & Contents	Fire and extended coverage	\$250,000	\$294,066,771
Airport:			
Buildings & Contents	Fire and extended coverage	\$250,000	\$193,074,503
Amarillo Hopital District			
Buildings & Contents	Fire and extended coverage	\$250,000	\$731,114
Polygraph Examiners	Bond		\$5,000
Police Officer's Liability Insurance	Police Liability Coverage	\$100,000	\$16,000,000/16,000,000
City Council, City Manager, City Attorney, and Selected Division Directors & Department Heads	24 hour accident protection for business travel		\$250,000/1,250,000
Boiler and Machinery (Included with fire and extended coverage policy)	Explosion and damage	\$10,000	\$50,000,000
Worker's Compensation All City Employees	Injury to City Workers	\$1,000,000	Statutory
Individual Stop Loss Health Plan Participants	Health Insurance	\$750,000	\$4,250,000

**SURETY BONDS OF PRINCIPAL OFFICIALS**

*BONDS REQUIRED BY CITY CHARTER:*

<u>Official</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
W. Jarrett Atkinson	City Manager	\$5,000
Laura Hastings	City Auditor	\$5,000

*OTHER*

Excess of \$5,000 and all other prinipal city officials and employees are covered under the City of Amarillo Self-Insurance Plan.

\$1,000,000/3,000,000

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
PUBLIC HEALTH FUND  
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Public Health	\$ 2,677,751	\$ -	\$ 2,677,751	\$ -	\$ -	\$ 2,677,751	\$ 2,500,377	\$ 2,500,377	\$ 177,374
	<u>\$ 2,677,751</u>	<u>\$ -</u>	<u>\$ 2,677,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,677,751</u>	<u>\$ 2,500,377</u>	<u>\$ 2,500,377</u>	<u>\$ 177,374</u>
Expenditures:									
Public Health	\$ 2,233,887	\$ -	\$ 2,233,887	\$ -	\$ -	\$ 2,233,887	\$ 2,498,861	\$ 2,481,432	\$ 247,545
	<u>\$ 2,233,887</u>	<u>\$ -</u>	<u>\$ 2,233,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,233,887</u>	<u>\$ 2,498,861</u>	<u>\$ 2,481,432</u>	<u>\$ 247,545</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**LAW ENFORCEMENT OFFICERS STANDARDS AND EDUCATION (LEOSE) TRAINING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Net Current	Capital Outlay	Total Current Year (GAAP Basis)	Paid Prior Year Encumbrances	Encumbrances at End of Year	Total Actual Budgetary Basis	Original Budget	Final Budget	Variance with Final Budget
Revenues:									
LEOSE Training	\$ 51	\$ -	\$ 51	\$ -	\$ -	\$ 51	\$ 4,516	\$ 4,516	\$ (4,465)
	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ 4,516</u>	<u>\$ 4,516</u>	<u>\$ (4,465)</u>
Expenditures:									
LEOSE Training	\$ 6,847	\$ -	\$ 6,847	\$ -	\$ -	\$ 6,847	\$ 24,500	\$ 24,500	\$ 17,653
	<u>\$ 6,847</u>	<u>\$ -</u>	<u>\$ 6,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,847</u>	<u>\$ 24,500</u>	<u>\$ 24,500</u>	<u>\$ 17,653</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
LOCAL SEIZED PROPERTY FUND  
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Local Seized Property	\$ 218,548	\$ -	\$ 218,548	\$ -	\$ -	\$ 218,548	\$ -	\$ -	\$ 218,548
	<u>\$ 218,548</u>	<u>\$ -</u>	<u>\$ 218,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,548</u>
Expenditures:									
Local Seized Property	\$ 68,196	\$ 80,736	\$ 148,932	\$ -	\$ -	\$ 148,932	\$ 120,925	\$ 120,925	\$ (28,007)
	<u>\$ 68,196</u>	<u>\$ 80,736</u>	<u>\$ 148,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,932</u>	<u>\$ 120,925</u>	<u>\$ 120,925</u>	<u>\$ (28,007)</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
 COMPENSATED ABSENCES FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
 YEAR ENDED SEPTEMBER 30, 2013**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Compensated Absences	\$ 40,056	\$ -	\$ 40,056	\$ -	\$ -	\$ 40,056	\$ 110,000	\$ 110,000	\$ (69,944)
	<u>\$ 40,056</u>	<u>\$ -</u>	<u>\$ 40,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,056</u>	<u>\$ 110,000</u>	<u>\$ 110,000</u>	<u>\$ (69,944)</u>
Expenditures:									
Compensated Absences	\$ 1,552,850	\$ -	\$ 1,552,850	\$ -	\$ -	\$ 1,552,850	\$ 1,700,700	\$ 1,700,700	\$ 147,850
	<u>\$ 1,552,850</u>	<u>\$ -</u>	<u>\$ 1,552,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,552,850</u>	<u>\$ 1,700,700</u>	<u>\$ 1,700,700</u>	<u>\$ 147,850</u>

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**COURT TECHNOLOGY AND COURT SECURITY FUNDS**  
**SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS**  
**YEAR ENDED SEPTEMBER 30, 2013**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Court Technology	\$ 146,232	\$ -	\$ 146,232	\$ -	\$ -	\$ 146,232	\$ 147,900	\$ 147,900	\$ (1,668)
Court Security	109,575	-	109,575	-	-	109,575	110,000	110,000	(425)
	<u>\$ 255,807</u>	<u>\$ -</u>	<u>\$ 255,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,807</u>	<u>\$ 257,900</u>	<u>\$ 257,900</u>	<u>\$ (2,093)</u>
Expenditures:									
Court Technology	\$ 83,958	\$ -	\$ 83,958	\$ -	\$ -	\$ 83,958	\$ 133,230	\$ 133,230	\$ 49,272
Court Security	113,738	-	113,738	-	-	113,738	125,856	125,856	12,118
	<u>\$ 197,696</u>	<u>\$ -</u>	<u>\$ 197,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,696</u>	<u>\$ 259,086</u>	<u>\$ 259,086</u>	<u>\$ 61,390</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
PUBLIC IMPROVEMENT DISTRICTS  
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2013**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Greenways at Hillside	\$ 395,726	\$ -	\$ 395,726	\$ -	\$ -	\$ 395,726	\$ 394,624	\$ 394,624	\$ 1,102
Brennan Boulevard	13,864	-	13,864	-	-	13,864	13,911	13,911	(47)
The Colonies	431,767	-	431,767	-	-	431,767	429,401	429,401	2,366
Tutbury	16,304	-	16,304	-	-	16,304	16,320	16,320	(16)
Point West	52,000	-	52,000	-	-	52,000	52,000	52,000	-
Quail Creek	6,880	-	6,880	-	-	6,880	6,879	6,879	1
Vineyards	3,760	-	3,760	-	-	3,760	-	-	3,760
Redstone	-	-	-	-	-	-	-	-	-
	<u>\$ 920,301</u>	<u>\$ -</u>	<u>\$ 920,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 920,301</u>	<u>\$ 913,135</u>	<u>\$ 913,135</u>	<u>\$ 7,166</u>
Expenditures:									
Greenways at Hillside	\$ 426,957	\$ -	\$ 426,957	\$ -	\$ -	\$ 426,957	\$ 404,154	\$ 404,154	\$ (22,803)
Brennan Boulevard	18,266	-	18,266	-	-	18,266	16,300	16,300	(1,966)
The Colonies	422,291	-	422,291	-	3,950	426,241	380,118	380,118	(46,123)
Tutbury	15,594	-	15,594	-	-	15,594	16,236	16,236	642
Point West	28,033	-	28,033	-	-	28,033	50,286	50,286	22,253
Quail Creek	7,313	-	7,313	-	-	7,313	6,232	6,232	(1,081)
Vineyards	1,516	-	1,516	-	-	1,516	3,760	3,760	2,244
Redstone	1,270	-	1,270	-	-	1,270	-	-	(1,270)
	<u>\$ 921,240</u>	<u>\$ -</u>	<u>\$ 921,240</u>	<u>\$ -</u>	<u>\$ 3,950</u>	<u>\$ 925,190</u>	<u>\$ 877,086</u>	<u>\$ 877,086</u>	<u>\$ (48,104)</u>

See Independent Auditor's Report

**CITY OF AMARILLO, TEXAS  
 BONDED DEBT SERVICE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT - BUDGETARY BASIS  
 YEAR ENDED SEPTEMBER 30, 2013**

	<u>Net Current</u>	<u>Capital Outlay</u>	<u>Total Current Year (GAAP Basis)</u>	<u>Paid Prior Year Encumbrances</u>	<u>Encumbrances at End of Year</u>	<u>Total Actual Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Revenues:									
Bonded Debt Service	\$ 3,608,596	\$ -	\$ 3,608,596	\$ -	\$ -	\$ 3,608,596	\$ 3,460,553	\$ 3,460,553	\$ 148,043
	<u>\$ 3,608,596</u>	<u>\$ -</u>	<u>\$ 3,608,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,608,596</u>	<u>\$ 3,460,553</u>	<u>\$ 3,460,553</u>	<u>\$ 148,043</u>
Expenditures:									
Bonded Debt Service	\$ 3,443,258	\$ -	\$ 3,443,258	\$ -	\$ -	\$ 3,443,258	\$ 3,453,449	\$ 3,453,449	\$ 10,191
	<u>\$ 3,443,258</u>	<u>\$ -</u>	<u>\$ 3,443,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,443,258</u>	<u>\$ 3,453,449</u>	<u>\$ 3,453,449</u>	<u>\$ 10,191</u>

See Independent Auditor's Report.

## STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial information and well-being have changed over time.	219-224
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	225-230
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	231-236
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time.	237-238
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	239-243
<b>Waterworks and Sewer System Information</b> These schedules contain information about how the City's Waterworks and Sewer System financial information relates to services and activities provided.	244-247

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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**CITY OF AMARILLO, TEXAS**  
**NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS**  
(accrual basis of accounting)  
(unaudited)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 329,550,783	\$ 320,390,991	\$ 308,957,310	\$ 309,160,316	\$ 301,783,034	\$ 289,264,232	\$ 265,774,557	\$ 257,206,882	\$ 245,465,271	\$ 241,180,240
Restricted for										
Debt service	2,364,008	1,763,860	1,706,708	1,476,611	1,371,563	555,566	344,615	328,705	300,000	290,000
Capital outlay	-	-	-	-	-	17,586,769	24,476,393	-	-	-
Other purposes	6,673,794	3,812,464	-	-	-	-	-	-	-	-
Unrestricted	16,714,594	35,119,387	55,475,614	69,367,279	85,762,657	90,992,936	80,514,311	93,548,849	86,252,914	82,391,755
Total governmental activities net position	<u>\$ 355,303,179</u>	<u>\$ 361,086,702</u>	<u>\$ 366,139,632</u>	<u>\$ 380,004,206</u>	<u>\$ 388,917,254</u>	<u>\$ 398,399,503</u>	<u>\$ 371,109,876</u>	<u>\$ 351,084,436</u>	<u>\$ 332,018,185</u>	<u>\$ 323,861,995</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 371,302,208	\$ 369,612,040	\$ 355,790,591	\$ 325,209,714	\$ 310,139,595	\$ 300,175,147	\$ 285,682,252	\$ 280,490,179	\$ 265,711,299	\$ 252,311,091
Restricted for										
Debt service	5,879,001	5,702,750	6,020,692	436,303	3,683,013	3,365,463	4,008,485	2,728,508	1,765,624	1,613,902
Capital outlay	-	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	57,194,184	42,852,895	38,722,071	43,205,956	39,181,048	42,722,033	57,263,547	58,637,634	72,742,103	83,232,311
Total business-type activities net position	<u>\$ 434,375,393</u>	<u>\$ 418,167,685</u>	<u>\$ 400,533,354</u>	<u>\$ 368,851,973</u>	<u>\$ 353,003,656</u>	<u>\$ 346,262,643</u>	<u>\$ 346,954,284</u>	<u>\$ 341,856,321</u>	<u>\$ 340,219,026</u>	<u>\$ 337,157,304</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 700,852,991	\$ 690,003,031	\$ 664,747,901	\$ 634,370,030	\$ 611,922,629	\$ 589,439,379	\$ 551,456,809	\$ 537,697,061	\$ 511,176,570	\$ 493,491,331
Restricted for										
Debt service	8,243,009	7,466,610	7,727,400	1,912,914	5,054,576	3,921,029	4,353,100	3,057,213	2,065,624	1,903,902
Capital outlay	-	-	-	-	-	17,586,769	24,476,393	-	-	-
Other purposes	6,673,794	3,812,464	-	-	-	-	-	-	-	-
Unrestricted	73,908,778	77,972,282	94,197,685	112,573,235	124,943,705	133,714,969	137,777,858	152,186,483	158,995,017	165,624,066
Total primary government net assets	<u>\$ 789,678,572</u>	<u>\$ 779,254,387</u>	<u>\$ 766,672,986</u>	<u>\$ 748,856,179</u>	<u>\$ 741,920,910</u>	<u>\$ 744,662,146</u>	<u>\$ 718,064,160</u>	<u>\$ 692,940,757</u>	<u>\$ 672,237,211</u>	<u>\$ 661,019,299</u>
<b>Component Units</b>										
Net investment in capital assets	\$ 21,800,738	\$ 13,340,320	\$ 14,778,882	\$ 16,057,848	\$ 22,180,482	\$ 35,404,607	\$ 13,587,578	\$ 12,444,477	\$ 25,146,179	\$ 9,789,099
Restricted for:										
Debt service	1,097,604	1,079,681	1,064,112	860,609	652,663	784,333	724,440	849,282	1,708,258	1,686,452
Other purposes	3,542,472	4,611,677	5,356,212	11,099,766	52,103	21,677,079	51,164	50,701	50,254	-
Unrestricted	270,147,996	295,372,581	290,751,762	279,771,608	284,569,397	250,182,352	282,799,795	278,721,748	272,980,941	290,712,335
Total component units activities net position	<u>\$ 296,588,810</u>	<u>\$ 314,404,259</u>	<u>\$ 311,950,968</u>	<u>\$ 307,789,831</u>	<u>\$ 307,454,645</u>	<u>\$ 308,048,371</u>	<u>\$ 297,162,977</u>	<u>\$ 292,066,208</u>	<u>\$ 299,885,632</u>	<u>\$ 302,187,886</u>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**CHANGES IN NET POSITION, LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)  
 (unaudited)

Expenses	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental activities:</b>										
General government and administration	\$ 19,044,399	\$ 18,230,072	\$ 17,568,368	\$ 18,553,336	\$ 18,608,757	\$ 15,990,458	\$ 13,652,969	\$ 12,819,831	\$ 12,527,854	\$ 11,540,577
Public safety and health	93,496,408	87,643,282	82,193,776	80,634,623	78,657,042	73,157,814	61,157,972	57,848,228	53,854,331	53,318,300
Streets, traffic and engineering	20,897,358	21,680,105	20,357,268	20,189,342	20,029,456	20,565,144	17,296,398	17,712,608	16,335,926	15,802,998
Culture and recreation	26,495,404	25,807,855	24,380,362	24,297,915	23,912,234	22,673,994	18,814,509	18,337,247	17,094,182	15,977,034
Solid waste	13,950,138	13,734,078	13,212,467	12,960,933	13,002,330	12,878,205	9,107,259	10,411,481	9,530,545	8,436,434
Transit	5,614,558	5,121,742	4,702,836	4,919,193	4,848,218	4,920,015	4,054,201	4,269,932	4,112,365	3,864,550
Economic development	3,083,969	2,847,958	5,269,868	2,586,912	2,798,810	2,280,629	2,017,045	1,955,590	1,899,218	1,739,586
Urban redevelopment/housing	12,504,610	11,779,399	11,667,515	11,611,626	11,968,993	10,204,054	10,471,645	9,992,339	9,993,988	10,461,503
Interest on long-term debt	2,138,731	2,217,767	2,350,205	1,532,615	2,359,313	326,813	340,063	336,232	332,329	-
<b>Total governmental activities expenses</b>	<b>197,225,575</b>	<b>189,062,258</b>	<b>181,702,665</b>	<b>177,286,495</b>	<b>176,185,153</b>	<b>162,997,126</b>	<b>136,912,061</b>	<b>133,683,488</b>	<b>125,680,738</b>	<b>121,140,982</b>
<b>Business-type activities</b>										
Water and Sewer	60,199,606	58,290,626	52,872,999	52,401,135	50,118,642	51,853,812	43,531,289	43,812,434	37,822,249	35,591,139
Drainage Utility	1,745,262	46,588	-	-	-	-	-	-	-	-
Airport	10,563,835	10,388,942	8,479,899	8,803,465	8,593,388	8,512,889	8,016,692	7,923,094	7,691,049	7,208,258
<b>Total business-type activities expenses</b>	<b>72,508,703</b>	<b>68,726,156</b>	<b>61,352,898</b>	<b>61,204,600</b>	<b>58,712,030</b>	<b>60,366,701</b>	<b>51,547,981</b>	<b>51,735,528</b>	<b>45,513,298</b>	<b>42,799,397</b>
<b>Total primary government expenses</b>	<b>\$ 269,734,278</b>	<b>\$ 257,788,414</b>	<b>\$ 243,055,563</b>	<b>\$ 238,491,095</b>	<b>\$ 234,897,183</b>	<b>\$ 223,363,827</b>	<b>\$ 188,460,042</b>	<b>\$ 185,419,016</b>	<b>\$ 171,194,036</b>	<b>\$ 163,940,379</b>
<b>Component units</b>										
Amarillo Hospital District	\$ 8,739,162	\$ 8,510,747	\$ 9,333,545	\$ 9,956,490	\$ 10,680,305	\$ 10,901,435	\$ 10,374,050	\$ 11,746,855	\$ 11,446,673	\$ 10,615,491
Amarillo Economic Development Corporation	24,134,763	20,091,297	16,939,339	18,705,551	22,589,356	9,463,914	15,632,514	23,453,229	11,752,313	7,385,398
Amarillo-Potter Events District	3,268,540	3,102,810	2,345,524	2,363,221	2,501,146	2,540,572	2,375,946	2,097,826	2,283,733	2,132,606
Amarillo Housing Finance Corporation	-	-	1,576	1,653	11,400	2,466	1,952	4,391	1,400	2,649
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	-	1,270,527	204,518	34,414	8,528	10,421	20,990	-	-	-
Amarillo Local Government Corporation	16,353	90,985	1,500	-	-	-	-	-	-	-
<b>Total component units activities expenses</b>	<b>\$ 36,158,818</b>	<b>\$ 33,066,366</b>	<b>\$ 28,826,002</b>	<b>\$ 31,061,329</b>	<b>\$ 35,790,735</b>	<b>\$ 22,918,808</b>	<b>\$ 28,405,452</b>	<b>\$ 37,302,301</b>	<b>\$ 25,484,119</b>	<b>\$ 20,136,144</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Fees, Fines, and Charges for Services:</b>										
General government and administration	\$ 10,071,778	\$ 10,023,088	\$ 10,235,745	\$ 10,725,176	\$ 10,964,850	\$ 9,415,044	\$ 8,558,541	\$ 9,238,878	\$ 8,028,071	\$ 7,912,292
Public safety and health	8,880,952	7,503,497	7,552,299	7,764,312	6,173,574	5,866,957	5,215,652	5,110,619	4,780,316	4,690,006
Streets, traffic and engineering	737,912	804,886	748,018	618,399	445,833	472,726	474,423	437,469	353,483	454,066
Culture and recreation	6,639,290	5,823,416	5,289,633	5,058,308	5,248,389	4,870,910	4,789,381	4,909,794	4,418,374	4,044,231
Solid waste	19,638,691	18,644,949	18,234,773	17,226,650	16,741,863	16,110,978	16,114,975	14,685,610	14,339,251	12,574,723
Transit	207,492	213,849	214,665	203,175	185,176	197,306	201,984	213,039	391,015	331,720
Economic development	20,500	-	-	-	-	-	-	-	-	-
Urban redevelopment/housing	119,742	95,458	296,074	188,392	114,695	163,512	265,235	141,707	58,432	606,755
Operating grants and contributions	20,149,589	19,723,706	19,858,342	21,439,450	20,135,506	18,384,040	18,141,143	17,945,138	16,562,670	17,010,033
Capital grants and contributions	9,572,638	12,681,594	3,444,571	7,298,406	8,227,527	6,881,414	9,519,713	14,046,785	5,222,603	1,314,759
<b>Total governmental activities program revenues</b>	<b>76,038,584</b>	<b>75,514,443</b>	<b>65,874,120</b>	<b>70,522,268</b>	<b>68,237,413</b>	<b>62,362,887</b>	<b>63,281,047</b>	<b>66,729,039</b>	<b>54,154,215</b>	<b>48,938,585</b>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED**  
 (accrual basis of accounting)  
 (Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Business-type activities</b>										
Water and Sewer	71,518,531	70,233,887	69,628,237	55,089,408	50,665,542	48,941,541	43,116,864	41,890,142	38,264,015	41,032,472
Drainage Utility	5,073,594	-	-	-	-	-	-	-	-	-
Airport	9,115,320	8,398,066	7,815,827	7,568,658	7,127,466	6,067,346	6,085,678	5,851,653	5,533,036	5,370,162
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,745,466	7,898,835	8,410,304	13,903,432	6,434,413	2,483,503	3,926,383	2,500,179	3,301,525	3,271,334
<b>Total business-type activities program revenues</b>	<b>88,452,911</b>	<b>86,530,788</b>	<b>85,854,368</b>	<b>76,561,498</b>	<b>64,227,421</b>	<b>57,492,390</b>	<b>53,128,925</b>	<b>50,241,974</b>	<b>47,098,576</b>	<b>49,673,968</b>
<b>Total primary government revenues</b>	<b>\$ 164,491,495</b>	<b>\$ 162,045,231</b>	<b>\$ 151,728,488</b>	<b>\$ 147,083,766</b>	<b>\$ 132,464,834</b>	<b>\$ 119,855,277</b>	<b>\$ 116,409,972</b>	<b>\$ 116,971,013</b>	<b>\$ 101,252,791</b>	<b>\$ 98,612,553</b>
<b>Component units</b>										
Amarillo Hospital District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,085	\$ 21,298	\$ 4,916
Amarillo Economic Development Corporation	6,222,671	7,777,947	4,745,415	2,905,176	3,140,213	2,686,833	2,641,826	2,721,730	1,950,323	1,488,413
Amarillo-Potter Events District	82,982	47,192	1,320	-	-	-	-	-	-	120
Amarillo Housing Finance Corporation	299	338	388	24,632	32,936	1,776	2,723	-	8,986	4,744
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	-	-	2,232,500	34,414	8,528	10,421	20,990	-	-	-
Amarillo Local Government Corporation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	208,998	278,842	239,737	441,057	1,920,040	1,591,851	1,419,283	1,359,709	1,174,866	1,004,232
Capital grants and contributions	362,109	28,667	29,837	6,381	9,181	10,866	-	139,722	-	-
<b>Total component units revenue</b>	<b>\$ 6,877,059</b>	<b>\$ 8,132,986</b>	<b>\$ 7,249,197</b>	<b>\$ 3,411,660</b>	<b>\$ 5,110,898</b>	<b>\$ 4,301,747</b>	<b>\$ 4,084,822</b>	<b>\$ 4,440,246</b>	<b>\$ 3,155,473</b>	<b>\$ 2,502,425</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$(121,186,991)	\$(113,547,815)	\$(115,828,545)	\$(106,764,227)	\$(107,947,740)	\$(100,634,239)	\$(73,631,015)	\$(66,954,449)	\$(71,526,523)	\$(75,601,386)
Business-type activities	15,944,208	17,804,632	24,501,470	15,356,898	5,515,391	(2,874,311)	1,580,944	(1,493,554)	1,585,278	6,874,571
<b>Total primary government net expense</b>	<b>\$(105,242,783)</b>	<b>\$(95,743,183)</b>	<b>\$(91,327,075)</b>	<b>\$(91,407,329)</b>	<b>\$(102,432,349)</b>	<b>\$(103,508,550)</b>	<b>\$(72,050,071)</b>	<b>\$(68,448,003)</b>	<b>\$(69,941,245)</b>	<b>\$(68,726,815)</b>
<b>Component units</b>										
Amarillo Hospital District	\$ (8,497,101)	\$ (8,203,238)	\$ (9,063,971)	\$ (9,509,052)	\$ (8,751,084)	\$ (9,298,718)	\$ (8,954,767)	\$ (10,028,339)	\$ (10,250,509)	\$ (9,606,343)
Amarillo Economic Development Corporation	(17,583,046)	(11,762,554)	(12,193,924)	(15,800,375)	(19,449,143)	(6,777,081)	(12,990,688)	(20,731,499)	(9,801,990)	(5,896,985)
Amarillo-Potter Events District	(3,185,558)	(3,055,618)	(2,344,204)	(2,363,221)	(2,501,146)	(2,540,572)	(2,375,946)	(2,097,826)	(2,283,733)	(2,132,486)
Amarillo Housing Finance Corporation	299	338	(1,188)	22,979	21,536	(690)	771	(4,391)	7,586	2,095
Amarillo Health Facilities Corporation	-	-	-	-	-	-	-	-	-	-
Tax Increment Reinvestment Zone #1	-	(1,270,527)	2,027,982	(34,414)	(8,528)	(10,421)	(20,990)	-	-	-
Amarillo Local Government Corporation	(16,353)	(90,985)	(1,500)	-	-	-	-	-	-	-
<b>Total component units net expense</b>	<b>\$ (29,281,759)</b>	<b>\$ (24,382,584)</b>	<b>\$ (21,576,805)</b>	<b>\$ (27,684,083)</b>	<b>\$ (30,688,365)</b>	<b>\$ (18,627,482)</b>	<b>\$ (24,341,620)</b>	<b>\$ (32,862,055)</b>	<b>\$ (22,328,646)</b>	<b>\$ (17,633,719)</b>
<b>General Revenues</b>										
<b>and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes, levied for general purposes	\$ 33,548,566	\$ 33,255,011	\$ 30,599,301	\$ 30,638,635	\$ 29,569,613	\$ 28,061,014	\$ 25,772,013	\$ 24,190,472	\$ 23,367,505	\$ 23,144,339
Property taxes, levied for debt services	2,875,654	2,846,831	2,750,167	2,737,072	2,706,352	532,309	529,784	526,912	631,336	615,137
Sales taxes	52,126,017	48,256,664	46,033,627	42,171,836	43,241,228	44,060,343	41,774,872	40,036,037	37,860,147	35,370,791
Mixed beverage taxes	595,016	533,575	602,075	585,729	589,894	570,334	520,653	472,305	426,819	411,010

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED**  
 (accrual basis of accounting)  
 (Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities (continued):										
Hotel occupancy taxes	5,691,118	5,002,181	4,782,868	4,399,887	4,232,250	4,331,449	4,326,640	3,814,257	3,534,175	3,400,442
Gross receipts business taxes	16,712,223	16,100,508	15,912,628	15,302,905	14,318,526	16,144,044	12,844,804	11,865,951	11,098,127	10,107,385
Unrestricted investment earnings	567,298	735,449	1,111,192	1,288,039	3,568,427	6,006,138	7,707,207	5,072,520	2,783,711	1,605,600
Income (expense) from use and disposition of property	-	-	(272,849)	480,281	148,337	294,710	(9,674)	131,935	(19,107)	307,410
Other	672,355	387,328	444,962	246,795	90,864	27,923,525	190,156	(89,689)	-	302,302
<b>Total governmental activities</b>	<b>112,788,247</b>	<b>107,119,559</b>	<b>101,965,982</b>	<b>97,853,189</b>	<b>98,467,500</b>	<b>127,925,874</b>	<b>93,658,462</b>	<b>86,022,706</b>	<b>79,684,718</b>	<b>75,266,420</b>
Business-type activities										
Unrestricted investment earnings	238,073	217,027	273,550	536,222	1,292,227	2,241,158	3,661,826	3,026,487	1,572,157	1,188,717
Income (expense) from use and disposition of property	-	-	6,974,932	14,646	24,259	30,888	45,349	14,673	(91,463)	16,067
Other	25,427	(387,328)	(68,571)	(59,449)	(90,864)	(89,376)	(190,156)	89,689	(4,250)	(302,302)
<b>Total business-type activities</b>	<b>263,500</b>	<b>(170,301)</b>	<b>7,179,911</b>	<b>491,419</b>	<b>1,225,622</b>	<b>2,182,670</b>	<b>3,517,019</b>	<b>3,130,849</b>	<b>1,476,444</b>	<b>902,482</b>
<b>Total primary government</b>	<b>113,051,747</b>	<b>106,949,258</b>	<b>109,145,893</b>	<b>98,344,608</b>	<b>99,693,122</b>	<b>130,108,544</b>	<b>97,175,481</b>	<b>89,153,555</b>	<b>81,161,162</b>	<b>76,168,902</b>
Component Units										
Property taxes, levied for general purposes	76,810	589,735	460,051	437,846	324,433	231,844	10,808	13,909	11,731	13,206
Property taxes, levied for debt services	-	-	-	-	-	-	-	-	-	-
Sales taxes	17,375,339	16,085,554	15,344,542	14,057,279	14,413,743	14,686,781	13,924,958	13,345,346	12,620,048	11,790,263
Gross receipts business taxes	2,589,164	2,295,432	2,159,203	2,009,281	1,952,359	2,070,185	2,052,011	1,808,263	1,670,800	1,568,201
Unrestricted investment earnings	(5,992,233)	7,865,154	7,774,146	11,514,863	13,404,104	12,524,066	13,450,612	9,875,113	5,723,813	6,339,752
Other	-	-	-	-	-	-	-	-	-	-
<b>Total component units activities</b>	<b>14,049,080</b>	<b>26,835,875</b>	<b>25,737,942</b>	<b>28,019,269</b>	<b>30,094,639</b>	<b>29,512,876</b>	<b>29,438,389</b>	<b>25,042,631</b>	<b>20,026,392</b>	<b>19,711,422</b>
<b>Change in Net Position</b>										
Governmental activities	(8,398,744)	(6,430,268)	(13,864,574)	(8,913,048)	(9,482,249)	27,289,627	20,025,440	19,066,251	8,156,190	(336,970)
Business-type activities	16,207,708	17,634,331	31,681,381	15,848,317	6,741,013	(691,641)	5,096,769	1,637,295	3,061,722	7,777,053
<b>Total primary government</b>	<b>\$ 7,808,964</b>	<b>\$ 11,204,063</b>	<b>\$ 17,816,807</b>	<b>\$ 6,935,269</b>	<b>\$ (2,741,236)</b>	<b>\$ 26,597,986</b>	<b>\$ 25,122,209</b>	<b>\$ 20,703,546</b>	<b>\$ 11,217,912</b>	<b>\$ 7,440,083</b>
<b>Total component units</b>	<b>\$ (15,232,679)</b>	<b>\$ 2,453,291</b>	<b>\$ 4,161,137</b>	<b>\$ 335,186</b>	<b>\$ (593,726)</b>	<b>\$ 10,885,394</b>	<b>\$ 5,096,769</b>	<b>\$ (7,819,424)</b>	<b>\$ (2,302,254)</b>	<b>\$ 2,077,703</b>

Source: Comprehensive Annual Financial Reports

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(unaudited)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ 298,680	\$ 209,187	\$ 518,108	\$ 369,642	\$ 333,150	\$ 424,567	\$ 464,698
Nonexpendable:										
Prepaid items	7,742	7,742	6,742	-	-	-	-	-	-	-
Inventory	1,553,581	1,546,717	1,804,245	-	-	-	-	-	-	-
Uncollected taxes	94,493	70,967	81,905	-	-	-	-	-	-	-
Committed for:										
Encumbrances	-	295,059	147,740	-	-	-	-	-	-	-
Unreserved/unassigned	50,057,344	44,344,080	41,767,102	41,301,934	37,163,472	36,673,773	37,304,407	37,840,494	37,110,347	37,503,800
<b>Total general fund</b>	<u>\$ 51,713,160</u>	<u>\$ 46,264,565</u>	<u>\$ 43,807,734</u>	<u>\$ 41,600,614</u>	<u>\$ 37,372,659</u>	<u>\$ 37,191,881</u>	<u>\$ 37,674,049</u>	<u>\$ 38,173,644</u>	<u>\$ 37,534,914</u>	<u>\$ 37,968,498</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ 1,010,434	\$ 1,017,324	\$ 1,135,941	\$ 1,173,096	\$ 1,225,402	\$ 14,127,578	\$ 13,839,648
Unreserved, reported in:										
Debt service fund	-	-	-	210,081	101,259	10,167	12,521	232	42,366	115,523
Capital projects	-	-	-	39,348,787	48,335,396	57,437,304	65,723,873	33,324,183	30,195,836	31,053,633
Special revenue funds	-	-	-	2,656,334	2,680,946	4,037,138	3,134,224	3,187,240	2,793,679	2,132,069
Compensated absences fund	-	-	-	14,222,386	15,053,260	14,850,723	14,660,177	14,211,648	416,361	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Nonexpendable:										
Prepaid items	628,029	652,712	639,354	-	-	-	-	-	-	-
Uncollected taxes	12,727	6,509	5,740	-	-	-	-	-	-	-
Restricted for:										
Debt service fund	534,276	375,156	246,574	-	-	-	-	-	-	-
Capital projects	-	3,671,462	-	-	-	-	-	-	-	-
Special purposes	6,673,794	3,812,464	2,824,678	-	-	-	-	-	-	-
Committed for:										
Compensated absences	10,003,888	11,500,973	12,779,761	-	-	-	-	-	-	-
Assigned for:										
Capital projects	32,781,310	33,889,784	38,271,781	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 50,634,024</u>	<u>\$ 53,909,060</u>	<u>\$ 54,767,888</u>	<u>\$ 57,448,022</u>	<u>\$ 67,188,185</u>	<u>\$ 77,471,273</u>	<u>\$ 84,703,891</u>	<u>\$ 51,948,705</u>	<u>\$ 47,575,820</u>	<u>\$ 47,140,873</u>

Source: Information obtained from the City's Comprehensive Annual Financial Reports.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
GOVERNMENTAL FUNDS  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(unaudited)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>										
Taxes	\$ 111,212,385	\$ 105,101,533	\$ 100,984,407	\$ 95,672,000	\$ 94,530,658	\$ 93,677,610	\$ 85,758,232	\$ 81,018,597	\$ 76,917,615	\$ 72,453,223
License and permits	3,514,170	2,315,185	2,284,564	2,260,499	1,758,303	2,015,135	1,727,536	1,916,299	1,786,318	1,296,047
Interfund revenues	1,675,119	1,584,965	1,557,653	1,478,752	1,373,441	1,320,395	1,270,941	1,231,060	2,547,357	2,753,169
Intergovernmental revenues	21,945,515	24,719,942	20,510,802	25,396,992	20,693,196	18,681,299	17,433,057	19,850,636	17,755,613	17,429,463
Grants-in-aid	-	-	-	-	-	-	-	-	-	-
Citizen contributions	45,638	10,144	22,898	6,000	31,000	7,300	6,000	5,000	6,074	5,900
Construction participation	3,976,610	4,685,053	1,761,885	2,816,377	6,241,042	5,816,556	9,393,844	11,540,373	2,525,475	292,994
Revenue from participating taxing entities	594,974	-	-	-	-	-	-	-	-	-
Other entity participations	820,676	808,345	944,425	856,721	786,670	690,382	824,023	595,839	795,821	621,344
Charges for services	34,034,663	31,985,474	31,291,822	30,025,565	28,672,632	27,514,707	27,422,759	25,939,174	23,963,289	21,411,896
Fines and forfeitures	5,937,467	6,160,381	5,846,225	6,235,025	6,634,542	5,104,849	4,199,581	4,398,745	3,916,486	4,504,414
Investment earnings	448,256	566,680	890,296	1,007,601	2,665,718	4,677,492	5,902,783	4,056,915	2,308,358	1,513,250
Other rentals and commissions	418,222	382,306	839,170	858,951	867,160	469,613	249,409	239,192	224,668	239,686
Miscellaneous	671,097	671,563	814,676	526,107	1,179,434	694,338	749,919	980,841	465,066	382,951
<b>Total revenues</b>	<b>185,294,792</b>	<b>178,991,571</b>	<b>167,748,823</b>	<b>167,140,590</b>	<b>165,433,796</b>	<b>160,669,676</b>	<b>154,938,084</b>	<b>151,772,671</b>	<b>133,212,140</b>	<b>122,904,337</b>
<b>Expenditures</b>										
General government and administration	16,107,002	15,098,294	14,875,816	14,925,037	15,252,845	13,074,117	12,325,695	11,573,762	10,947,924	9,674,291
Public safety and health	92,887,532	89,501,953	86,844,050	83,263,087	81,699,196	77,852,041	71,204,891	68,295,871	62,875,319	62,313,813
Culture and recreation	19,333,878	19,010,912	18,154,024	17,765,568	17,607,384	17,426,501	16,516,821	15,911,599	14,792,474	13,460,424
Solid waste	11,311,765	11,063,271	10,532,391	10,970,380	11,296,793	10,881,683	10,307,975	9,596,852	8,842,767	7,926,642
Transit system	4,267,016	3,957,318	3,506,527	3,762,267	4,061,190	3,937,106	3,687,600	3,422,653	3,205,899	2,983,056
Urban redevelopment and housing	12,261,800	11,942,850	11,578,796	11,694,748	11,921,285	10,009,916	10,473,891	9,994,020	9,903,853	10,443,196
Tourism	3,083,969	2,847,958	5,269,868	2,586,912	2,798,810	2,280,629	2,017,045	1,955,590	1,899,218	1,739,586
Capital outlay	20,736,329	20,385,363	18,503,130	24,381,672	26,590,979	31,499,119	18,739,343	21,078,954	15,192,733	9,356,087
Debt service										
Principal retirement	1,763,860	1,706,708	1,476,611	1,371,563	555,566	344,615	328,705	301,519	290,000	280,000
Interest and fiscal charges	1,673,168	1,730,024	1,662,908	1,532,615	2,359,312	326,813	340,063	336,232	332,329	347,095
Termination vacation and sick leave pay	1,552,850	1,313,015	1,591,569	1,457,052	1,379,825	1,753,114	1,306,089	1,238,756	901,745	1,319,386
<b>Total expenditures</b>	<b>184,979,169</b>	<b>178,557,666</b>	<b>173,995,690</b>	<b>173,710,901</b>	<b>175,523,185</b>	<b>169,385,654</b>	<b>147,248,118</b>	<b>143,705,808</b>	<b>129,184,261</b>	<b>119,843,576</b>
Excess of revenues over (under) expenditures	315,623	433,905	(6,246,867)	(6,570,311)	(10,089,389)	(8,715,978)	7,689,966	8,066,863	4,027,879	3,060,761
<b>Other Financing Sources (Uses):</b>										
Transfers from other funds	11,308,054	10,120,249	10,266,422	7,274,581	9,448,299	16,474,780	22,639,094	11,483,105	11,314,214	16,750,972
Transfers to other funds	(12,065,339)	(10,333,489)	(10,375,070)	(7,583,483)	(9,461,220)	(17,538,013)	(23,075,481)	(15,108,353)	(15,340,729)	(17,882,676)
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	(172,003)
Payment to refunded bond escrow agent	-	-	-	-	(4,680,000)	-	-	-	-	-
Bond premium less issuance cost	-	-	(77,500)	-	(145,000)	-	-	-	-	-
Issuance of refunding debt	-	-	-	-	4,825,000	-	427,012	-	-	-
Proceeds from issuance of long-term debt	-	-	5,960,000	1,367,000	-	2,064,425	24,575,000	570,000	-	600,000
<b>Total other financing sources (uses)</b>	<b>(757,285)</b>	<b>(213,240)</b>	<b>5,773,852</b>	<b>1,058,098</b>	<b>(12,921)</b>	<b>1,001,192</b>	<b>24,565,625</b>	<b>(3,055,248)</b>	<b>(4,026,515)</b>	<b>(703,707)</b>
<b>Net change in fund balances</b>	<b>\$ (441,662)</b>	<b>\$ 220,665</b>	<b>\$ (473,015)</b>	<b>\$ (5,512,213)</b>	<b>\$ (10,102,310)</b>	<b>\$ (7,714,786)</b>	<b>\$ 32,255,591</b>	<b>\$ 5,011,615</b>	<b>\$ 1,364</b>	<b>\$ 2,357,054</b>
<b>Debt service as a percentage of noncapital expenditures</b>	2.137%	2.221%	2.061%	1.983%	1.996%	0.489%	0.523%	0.523%	0.549%	0.571%

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(unaudited)

Fiscal Year	Property Taxes*		Sales Taxes	Mixed Beverage Taxes	Hotel Occupancy Taxes	Gross Receipts Business Taxes	Total Taxes
	General Fund	Debt Service					
2004	\$ 22,548,458	\$ 615,137	\$ 35,370,791	\$ 411,010	\$ 3,400,442	\$ 10,107,385	\$ 72,453,223
2005	23,371,765	626,582	37,860,147	426,819	3,534,175	11,098,127	76,917,615
2006	24,303,135	526,912	40,036,037	472,305	3,814,257	11,865,951	81,018,597
2007	25,761,479	529,784	41,774,872	520,653	4,326,640	12,844,804	85,758,232
2008	28,039,131	532,309	44,060,343	570,334	4,331,449	16,144,044	93,677,610
2009	29,442,408	2,706,352	43,241,228	589,894	4,232,250	14,318,526	94,530,658
2010	30,474,571	2,737,072	42,171,836	585,729	4,399,887	15,302,905	95,672,000
2011	30,903,042	2,750,167	46,033,627	602,075	4,782,868	15,912,628	100,984,407
2012	32,361,774	2,846,831	48,256,664	533,575	5,002,181	16,100,508	105,101,533
2013	33,212,357	2,875,654	52,126,017	595,016	5,691,118	16,712,223	111,212,385
<b>Change</b>							
2004-2013	47.3%	N/A	47.4%	44.8%	67.4%	65.3%	53.5%

**Notes:**

\* The City was able to keep its property tax rates fairly stable because of substantial growth in property tax values (See Exhibit A-6.)

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY, LAST TEN FISCAL YEARS**  
(unaudited)

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Business Personal</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Taxable Value</u>	<u>Total Direct Tax Rate</u>
2004	\$ 7,226,216,296	\$ 1,069,853,131	\$ 8,296,069,427	\$ 1,221,045,400	\$ 7,075,024,027	0.29437
2005	7,538,307,247	1,262,875,966	8,801,183,213	1,276,555,884	7,524,627,329	0.28906
2006	7,938,381,440	1,240,508,943	9,178,890,383	1,335,511,280	7,843,379,103	0.28712
2007	8,518,092,297	1,284,058,473	9,802,150,770	1,442,769,110	8,359,381,660	0.28371
2008	9,437,359,663	1,336,466,293	10,773,825,956	1,632,941,441	9,140,884,515	0.28371
2009	9,848,073,262	1,399,854,654	11,247,927,916	1,547,532,972	9,700,397,944	0.31009
2010	10,147,687,093	1,413,365,790	11,561,052,883	1,569,701,314	9,991,351,569	0.31009
2011	10,299,410,694	1,351,284,199	11,650,694,893	1,594,987,161	10,055,707,732	0.31009
2012	10,737,236,627	1,379,495,572	12,116,732,199	1,858,785,870	10,257,946,329	0.32009
2013	10,941,419,006	1,417,493,921	12,358,912,927	1,902,510,338	10,456,402,589	0.32009

**Source:** Potter and Randall Counties

**Notes:** Property in Potter County and Randall County is reassessed annually. The counties assess property at approximately 100% of actual value for business personal property and 100% for real estate property. Tax rates are per \$100 of taxable value.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES, LAST TEN FISCAL YEARS**  
(rate per \$100 of assessed value)  
(unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates							
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Amarillo Independent School District and County Education District 20	Amarillo College District	Canyon Independent School District	River Road Independent School District	Potter County	Randall County	Highland Park Independent School District	Bushland Independent School District
2004	0.28686	0.00751	0.29437	1.59000	0.15942	1.69779	1.57230	0.59503	0.33721	1.55158	1.65200
2005	0.28199	0.00707	0.28906	1.61500	0.16043	1.73919	1.57230	0.60704	0.33642	1.57130	1.49820
2006	0.28035	0.00677	0.28712	1.64500	0.16043	1.69141	1.77980	0.60704	0.34518	1.64760	1.61993
2007	0.27736	0.00635	0.28371	1.47500	0.16043	1.50982	1.64980	0.59973	0.35136	1.49566	1.47945
2008	0.27787	0.00584	0.28371	1.17200	0.16043	1.29000	1.32300	0.59674	0.34957	1.19421	1.18795
2009	0.28143	0.02866	0.31009	1.17000	0.18395	1.29000	1.32300	0.59674	0.36062	1.19081	1.18300
2010	0.28239	0.02770	0.31009	1.17000	0.18413	1.29000	1.31700	0.59627	0.36062	1.18544	1.24950
2011	0.28279	0.02730	0.31009	1.17000	0.18996	1.29000	1.36000	0.59911	0.36890	1.18252	1.26862
2012	0.29230	0.02779	0.32009	1.17000	0.18938	1.29000	1.35000	0.63350	0.37756	1.17289	0.12696
2013	0.29276	0.02733	0.32009	1.17000	0.19950	1.26500	1.35000	0.62707	0.38430	1.16744	0.12696

The maximum tax rate provided by City charter is \$1.80, of which \$1.30 may be levied for general purposes; the remaining \$0.50 may be used only for waterworks purposes.

Taxes are assessed by the Potter-Randall Appraisal District. The City of Amarillo collected its own taxes until July 1, 1996, when Potter and Randall Counties assumed collection responsibilities for all entities within their boundaries. Taxes are due October 1, and become delinquent February 1. Delinquent taxes are subject to 12% to 18% per annum interest plus a penalty of 5% to 10% in accordance with statutes.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO**  
(unaudited)

Taxpayer	2013			2004		
	Taxable Value	Rank	Percent of Total City Taxable Value	Taxable Value	Rank	Percent of Total City Taxable Value
Southwestern Public Service	\$ 88,286,959	1	0.844%	\$ 110,666,169	1	1.564%
Wal Mart Stores Inc	85,932,637	2	0.822%	42,965,787	5	0.607%
Northwest Texas Healthcare	84,728,956	3	0.810%	73,941,380	2	1.045%
Amarillo Mall LLC	63,925,834	4	0.611%	54,988,359	3	0.777%
Burlington Northern Santa Fe Railroad	62,822,320	5	0.601%	29,828,421	6	0.422%
Ben E Keith	48,876,507	6	0.467%	-	-	-
Amarillo Economic Development Corporation*	41,925,797	7	0.401%	-	-	-
Atmos Corp/Energas Co.	40,968,167	8	0.392%	-	-	-
Amarillo National Bank	37,584,412	9	0.359%	27,819,088	7	0.393%
Case Newport LP	36,883,145	10	0.353%	-	-	-
Southwestern Bell Telephone Company	-	-	-	49,842,151	4	0.704%
Anderson Merchandisers LP	-	-	-	24,805,740	8	0.351%
Cox Communications Inc.	-	-	-	22,721,092	9	0.321%
KIR Amarillo/Soncy LP	-	-	-	22,021,512	10	0.311%
Total taxable value of ten largest taxpayers	591,934,734		5.661%	459,599,699		6.496%
Total taxable value of other taxpayers	9,864,467,855		94.339%	6,615,424,328		93.504%
Total taxable value of all taxpayers	<u>\$ 10,456,402,589</u>		<u>100.000%</u>	<u>\$ 7,075,024,027</u>		<u>100.000%</u>

Source: Potter Randall Appraisal District

\*Amarillo Economic Development Corporation owns and leases property to Bell Helicopter.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS, LAST TEN FISCAL YEARS**  
(unaudited)

Fiscal Year Ended September 30,	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 20,826,737	\$ 20,520,657	98.53	\$ 398,005	\$ 20,826,737	100.00
2005	21,750,690	21,355,304	98.18	124,567	21,479,871	98.75
2006	22,519,911	22,101,623	98.14	318,102	22,419,725	99.56
2007	23,716,401	23,359,468	98.49	277,337	23,636,805	99.66
2008	25,933,603	25,517,113	98.39	320,496	25,837,609	99.63
2009	29,523,733	29,021,939	98.30	384,491	29,406,430	99.60
2010	30,409,776	29,913,203	98.37	333,591	30,246,794	99.46
2011	30,639,878	30,277,693	98.82	261,882	30,539,575	99.67
2012	32,159,248	31,738,183	98.69	220,658	31,958,841	99.38
2013	32,832,489	32,397,075	98.67	-	32,397,075	98.67

Sources: Potter and Randall County Tax Offices

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**TAXABLE SALES BY CATEGORY, LAST TEN CALENDAR YEARS**  
(in \$1,000s)  
(unaudited)

	Calendar Year									
	2013*	2012	2011	2010	2009	2008	2007	2006	2005	2004
Agriculture/Forestry/Fishing/Hunting	\$ 1,071	\$ 1,334	\$ 1,217	\$ 1,397	\$ 1,120	\$ 1,421	\$ 1,571	\$ 1,519	\$ 1,825	\$ 1,825
Mining/Quarrying/Oil and Gas	5,868	8,995	8,828	1,453	1,074	835	813	4,264	2,904	2,904
Utilities	137,345	148,600	156,654	157,575	199,995	168,441	171,922	156,569	148,460	148,460
Construction	81,497	83,862	66,604	60,378	75,775	78,916	77,077	67,014	66,646	66,646
Manufacturing	77,449	70,539	65,543	71,250	79,628	76,683	78,798	74,706	65,737	65,737
Wholesale Trade	186,694	161,328	145,841	128,518	163,070	144,283	153,236	128,360	116,074	116,074
Retail Trade	1,553,612	1,477,297	1,420,094	1,392,979	1,461,374	1,412,115	1,331,076	1,282,886	1,237,198	1,237,198
Transportation/Warehousing	2,984	3,109	3,030	2,567	3,008	2,430	2,206	1,612	2,910	2,910
Information	82,132	82,826	74,283	71,685	68,129	65,839	75,812	85,937	78,658	78,658
Finance/Insurance	11,606	13,495	9,152	10,427	11,792	11,201	9,944	7,267	8,146	8,146
Real Estate/Rental Leasing	47,476	37,928	29,209	26,258	29,400	27,078	26,679	22,594	21,590	21,590
Professional/Scientific/Technical Services	45,820	38,356	34,318	35,134	34,824	35,639	29,189	27,329	28,888	28,888
Management of Companies/Enterprises	78	53	1,064	2,166	2,909	3,259	3,649	7,915	7,758	7,758
Admin/Support/Waste Mgmt/Remediation	65,733	49,585	47,502	45,853	45,583	44,309	43,579	41,165	38,064	38,064
Educational Services	5,752	5,843	5,566	4,864	4,380	4,254	4,046	3,815	3,706	3,706
Health Care/Social Assistance	2,565	2,576	2,366	2,902	4,580	4,771	4,025	4,229	4,849	4,849
Arts/Entertainment/Recreation	25,854	25,972	22,939	23,187	24,846	23,453	21,881	22,223	22,100	22,100
Accommodation/Food Services	381,756	360,977	339,900	329,042	332,340	313,292	299,451	281,312	261,620	261,620
Other Services	95,569	86,502	80,946	78,969	81,764	77,211	74,657	72,837	66,224	66,224
Public Administration	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported
Other	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported
<b>Total</b>	<b>\$ 2,868,621</b>	<b>\$ 2,674,728</b>	<b>\$ 2,515,459</b>	<b>\$ 2,446,951</b>	<b>\$ 2,626,021</b>	<b>\$ 2,495,701</b>	<b>\$ 2,409,870</b>	<b>\$ 2,293,835</b>	<b>\$ 2,184,401</b>	<b>\$ 2,184,401</b>
City direct sales tax rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

\*Note: Retail sales information is not available for the 2013 Calendar Year.

Source: State of Texas <https://ourcpa.cpa.state.tx.us/allocation/HistSales.jsp>

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**DIRECT AND OVERLAPPING SALES TAX RATES, LAST TEN FISCAL YEARS**  
(unaudited)

<u>Fiscal Year</u>	<u>City* Direct Rate</u>	<u>State</u>
2004	2.0	6.25
2005	2.0	6.25
2006	2.0	6.25
2007	2.0	6.25
2008	2.0	6.25
2009	2.0	6.25
2010	2.0	6.25
2011	2.0	6.25
2012	2.0	6.25
2013	2.0	6.25

**Sources:** City Budget Office and Department of Finance

**Note:** The City sales tax rate may be changed only with the approval of the state legislature.

\* The Amarillo Economic Development Corporation is funded with 1/2 percent sales tax.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT, AS OF SEPTEMBER 30, 2013**  
(unaudited)

	<u>Net Debt Outstanding</u>	<u>Percent Applicable</u>	<u>Applicable Debt Outstanding</u>
Amarillo Independent School District	\$ 154,603,633	99.12%	\$ 153,243,121
Amarillo College District	69,040,000	100.00%	69,040,000
Amarillo Hospital District	-	100.00%	-
Canyon Independent School District	76,548,602	36.12%	27,649,355
River Road Independent School District	13,692,617	23.25%	3,183,533
Potter County	8,360,000	73.64%	6,156,304
Randall County	35,355,000	66.31%	23,443,901
Highland Park Independent School District	10,740,000	35.40%	3,801,960
Bushland Independent School District	26,025,000	24.79%	6,451,598
Total overlapping debt			<u>292,969,772</u>
City of Amarillo*			<u>33,409,347</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 326,379,119</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Municipal Advisory Council, October 2013.

Debt outstanding data provided by each governmental unit.

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Amarillo. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

\* City of Amarillo outstanding debt includes debt serviced by tax revenues of \$25,616,000 and debt serviced by special assessment and other revenue of \$8,340,350 less sinking fund assets of \$547,003.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE, LAST TEN FISCAL YEARS**  
(unaudited)

Fiscal Year	General Bonded Debt				Business-type Activities						Total Primary Government	Percentage of Personal Income	
	Tax-Supported Debt	Special Assessment/Other Debt	Percentage of Actual Taxable Value of Property	Per Capita	Water & Sewer Revenue Debt	Water Authority Debt	Airport Debt	Drainage Utility Debt	Municipal Garage Debt	Per Capita			
2004	\$ 6,240,000	\$ 1,100,000	0.10%	\$ 40.39	\$ 37,930,000	\$ 35,256,050	\$ -	\$ -	\$ -	\$ 80,526,050	1.27%	443.12	
2005	6,005,000	1,045,000	0.09%	38.64	35,540,000	53,018,680	-	-	-	95,608,680	1.40%	523.99	
2006	5,760,000	1,571,978	0.09%	39.64	32,690,000	71,377,816	-	-	-	111,399,794	1.52%	602.35	
2007	30,080,000	1,498,273	0.38%	168.32	39,490,000	68,846,778	-	-	-	139,915,051	1.76%	745.78	
2008	29,815,000	3,518,658	0.36%	175.40	38,245,000	66,002,170	-	-	-	137,580,828	1.55%	723.95	
2009	29,555,000	3,368,092	0.34%	171.91	75,840,000	63,021,308	16,140,000	-	-	187,924,400	2.20%	981.26	
2010	29,732,000	3,211,529	0.33%	172.76	124,800,000	69,101,396	14,975,000	-	-	241,819,925	2.69%	1,268.10	
2011	28,418,000	9,008,918	0.37%	191.28	148,200,000	65,664,394	13,745,000	-	-	265,036,312	2.77%	1,354.53	
2012	27,040,000	8,680,210	0.35%	183.77	142,585,000	94,814,081	12,465,000	-	-	285,584,291	2.89%	1,469.24	
2013	25,616,000	8,340,350	0.32%	172.95	137,665,000	88,399,000	11,135,000	5,820,000	2,330,000	279,305,350	2.70%	1,422.59	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN, LAST TEN FISCAL YEARS**  
(unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General bonded debt outstanding*										
Tax supported debt	\$ 25,616,000	\$ 27,040,000	\$ 28,418,000	\$ 29,732,000	\$ 29,555,000	\$ 29,815,000	\$ 30,080,000	\$ 5,760,000	\$ 6,005,000	\$ 6,240,000
Special assessment/other debt	8,340,350	8,680,210	9,008,918	3,211,529	3,368,092	3,518,658	1,498,273	1,571,978	1,045,000	1,100,000
Water & Sewer bonds	137,665,000	142,585,000	148,200,000	124,800,000	38,885,000	-	-	-	-	-
Airport Bonds	11,135,000	12,465,000	13,745,000	14,975,000	16,140,000	-	-	-	-	-
Drainage Utility Bonds	5,820,000	-	-	-	-	-	-	-	-	-
Municipal Garage Bonds	2,330,000	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>190,906,350</b>	<b>190,770,210</b>	<b>199,371,918</b>	<b>172,718,529</b>	<b>87,948,092</b>	<b>33,333,658</b>	<b>31,578,273</b>	<b>7,331,978</b>	<b>7,050,000</b>	<b>7,340,000</b>
Percentage of estimated actual property value	1.83%	1.86%	1.98%	1.73%	0.91%	0.36%	0.38%	0.09%	0.09%	0.10%
Per capita	972.35	981.45	1,045.50	905.73	462.78	175.40	168.32	39.64	38.64	40.39
Less: Amounts set aside to repay general debt	547,003	381,665	252,314	216,923	102,939	11,862	10,931	1,107	39,769	34,057
<b>Total net debt applicable to debt limit</b>	<b>190,359,347</b>	<b>190,388,545</b>	<b>199,119,604</b>	<b>172,501,606</b>	<b>87,845,153</b>	<b>33,321,796</b>	<b>31,567,342</b>	<b>7,330,871</b>	<b>7,010,231</b>	<b>7,305,943</b>
Legal debt limit	1,235,891,293	1,211,673,220	1,165,069,489	1,156,105,288	1,124,793,092	1,077,382,596	980,215,077	917,889,038	880,118,321	829,606,943
<b>Legal debt margin</b>	<b>\$ 1,045,531,946</b>	<b>\$ 1,021,284,675</b>	<b>\$ 965,949,885</b>	<b>\$ 983,603,682</b>	<b>\$ 1,036,947,939</b>	<b>\$ 1,044,060,800</b>	<b>\$ 948,647,735</b>	<b>\$ 910,558,167</b>	<b>\$ 873,108,090</b>	<b>\$ 822,301,000</b>
Debt service as a percentage of noncapital expenditures	3.13%	3.10%	3.14%	3.01%	2.97%	1.79%	1.56%	1.55%	1.36%	1.79%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\* Excludes Water Authority Debt

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION, LAST TEN FISCAL YEARS**  
(Unaudited)

	9/30/2013 (2012 Tax Roll)	9/30/2012 (2011 Tax Roll)	9/30/2011 (2010 Tax Roll)	9/30/2010 (2009 Tax Roll)	9/30/2009 (2008 Tax Roll)	9/30/2008 (2007 Tax Roll)	9/30/2007 (2006 Tax Roll)	9/30/2006 (2005 Tax Roll)	9/30/2005 (2004 Tax Roll)	9/30/2004 (2003 Tax Roll)
Assessed value, tax roll	\$ 12,358,912,927	\$ 12,116,732,199	\$ 11,650,694,893	\$ 11,561,052,883	\$ 11,247,930,916	\$ 10,773,825,956	\$ 9,802,150,770	\$ 9,178,890,383	\$ 8,801,183,213	\$ 8,296,069,427
Debt limit -10% of assessed roll	\$ 1,235,891,293	\$ 1,211,673,220	\$ 1,165,069,489	\$ 1,156,105,288	\$ 1,124,793,092	\$ 1,077,382,596	\$ 980,215,077	\$ 917,889,038	\$ 880,118,321	\$ 829,606,943
Amount of debt applicable to debt limit:										
Total bonded debt	190,906,350	190,770,210	199,371,918	172,718,529	124,618,092	71,578,658	71,068,273	40,021,978	42,590,000	45,270,000
Less: Assets in Debt Service Funds (net)	547,003	381,665	252,314	216,923	102,939	11,862	10,931	1,107	39,769	34,057
Waterworks revenue bonds	41,900,000	42,565,000	44,850,000	35,620,000	36,955,000	38,245,000	39,490,000	32,690,000	35,540,000	37,930,000
	42,447,003	42,946,665	45,102,314	35,836,923	37,057,939	38,256,862	39,500,931	32,691,107	35,579,769	37,964,057
Total amount of debt applicable to debt limit	148,459,347	147,823,545	154,269,604	136,881,606	87,560,153	33,321,796	31,567,342	7,330,871	7,010,231	7,305,943
<b>Pro forma legal debt margin</b>	<b>\$ 1,087,431,946</b>	<b>\$ 1,063,849,675</b>	<b>\$ 1,010,799,885</b>	<b>\$ 1,019,223,682</b>	<b>\$ 1,037,232,939</b>	<b>\$ 1,044,060,800</b>	<b>\$ 948,647,735</b>	<b>\$ 910,558,167</b>	<b>\$ 873,108,090</b>	<b>\$ 822,301,000</b>

Note: Article 835p of the State of Texas Civil Statutes, effective March 17, 1967, provides that this limitation applies only to cities having a population of 600,000 or more according to the then last preceding Federal Census.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**PLEDGED-REVENUE COVERAGE, LAST TEN FISCAL YEARS**  
(unaudited)

Water Revenue Bonds							
Fiscal Year	Total Revenue	Less:	Less:	Net Available Revenue	Debt Service		
		Operating Expenses	CRMWA Interest		Principal	Interest	Coverage
2004	\$ 40,253,986	\$ 26,613,408	\$ 1,772,617	\$ 11,867,961	\$ 2,615,000	\$ 1,807,465	2.68
2005	39,576,277	27,911,917	1,686,304	9,978,056	2,520,000	1,602,381	2.42
2006	44,311,449	31,874,749	2,585,579	9,851,121	2,850,000	1,626,919	2.20
2007	45,946,496	31,646,674	3,539,176	10,760,646	2,770,000	1,626,605	2.45
2008	50,562,805	33,800,615	3,277,990	13,484,200	1,245,000	1,765,242	4.48
2009	51,567,346	34,440,993	3,103,789	14,022,564	1,290,000	2,017,904	4.24
2010	55,502,109	34,436,713	3,172,696	17,892,700	5,350,000	2,884,844	2.17
2011	76,794,307	34,139,162	2,978,655	39,676,490	7,210,000	2,998,168	3.89
2012	70,242,785	34,117,020	4,252,077	31,873,688	7,290,000	3,232,174	3.03
2013	71,728,432	35,135,236	4,320,267	32,272,929	7,490,000	3,157,712	3.03

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN CALENDAR YEARS**  
(unaudited)

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in \$1,000s)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2004	181,725	\$ 6,592,347	\$ 27,750	*	29,959	4.3%
2005	182,462	7,095,453	29,518	33.6	30,106	4.0%
2006	184,941	7,611,450	31,367	*	30,750	3.7%
2007	187,609	8,078,500	33,026	*	30,613	3.4%
2008	190,042	8,855,735	35,932	32.7	30,969	3.6%
2009	191,514	8,553,870	34,302	*	31,920	5.2%
2010	190,695	9,003,940	35,633	33.4	32,704	5.7%
2011	195,666	9,582,655	37,464	*	33,043	5.5%
2012	194,375	9,875,509	38,340	*	33,306	4.4%
2013	196,336	10,343,608	39,774	33.4	33,419	5.1%

**Sources:**

1. Population estimates prepared by City of Amarillo Planning Department (2010 provided by Census 2010). (Amarillo grows by an average of 1% or 2% annually.)
2. Personal income and per capita income figures obtained from U.S. Department of Commerce's Bureau of Economic Analysis, MSA Area Income Summary. The 2004 through 2012 figures were updated based on new estimates during November 2013. To calculate 2013 figures, Planning Department staff used an average of increases from the previous two years.
3. Median age obtained from Census 2000, 2005, 2010, and 2012 American Community Survey.
4. School enrollment was provided by Amarillo Independent School District.
5. Unemployment rates obtained from U.S. Department of Labor's Bureau of Labor Statistics. The rate for 2013 is based on the July 2013 figure provided by the US Bureau of Labor Statistics (Amarillo Economy at a Glance).

\* Median age was not available for these years.

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS**  
**PRINCIPAL EMPLOYERS, CURRENT YEAR AND NINE YEARS AGO**  
(unaudited)

Employer	2013			2004		
	Employees	Rank	Percent of Total City MSA* Employment	Employees	Rank	Percent of Total City MSA Employment
Tyson Foods	3,700	1	2.885%	3,700	1	3.024%
Baptist/St. Anthony's Health Systems	2,900	2	2.261%	2,800	2	2.288%
Northwest Texas Healthcare	1,359	3	1.060%	1,800	3	1.471%
Bell Helicopter, Inc	1,068	6	0.833%	650	9	0.531%
Affiliated Foods	1,110	5	0.866%	1,037	6	0.809%
Walmart Supercenters	1,359	4	1.060%	1,605	4	1.312%
Xcel Energy	1,000	7	0.780%	700	8	0.546%
Western Natinoal Life Insurance	890	8	0.694%	-	-	-
Burlington Northern Santa Fe	700	9	0.547%	800	7	0.654%
Toot 'n Totum	560	10	0.437%	-	-	-
United Supermarkets	-	-	-	1,249	5	1.021%
AIG	-	-	-	602	10	0.516%
Total employees of the principal employers	14,646		11.421%	14,943		12.213%
Total employees of other employers	113,590		88.579%	107,409		87.787%
Total Amarillo MSA* employment	128,236		100.000%	122,352		100.000%

**Sources:** The ten principal employers information was provided by the Amarillo Chamber of Commerce.

\* Amarillo Metropolitan Statistical Area (MSA) employment figure obtained from the U.S. Bureau of Labor Statistics (Economy at a Glance) at June 2013.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**CITY GOVERNMENT BUDGETED POSITIONS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS**  
(unaudited)

Function/Program	Budgeted Positions as of September 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>GENERAL GOVERNMENT</b>										
Mayor and commission	5	5	5	5	5	5	5	5	5	5
City manager	6	6	6	6	6	3	3	4	4	3
City secretary	3	3	2	2	2	2	2	3	3	3
Judicial	4	-	-	-	-	-	-	-	-	-
Municipal court and Teen court	25	29	29	29	29	28	28	28	28	26
Planning and zoning	7	7	7	7	7	8	8	8	8	9
<b>STAFF SERVICES</b>										
Financial administration										
Director of Finance	5	5	5	5	5	6	6	6	6	6
Accounting	16	16	14	14	14	15	15	15	15	16
Payroll	3	3	3	3	3	-	-	-	-	-
Benefits	5	5	5	5	5	-	-	-	-	-
Purchasing	9	9	8	8	8	8	6	6	6	6
Central stores	7	7	8	8	8	8	8	8	8	9
Municipal office services	-	-	3	3	3	3	4	4	4	4
Legal	9	9	8	8	8	8	7	7	7	7
Personnel and Risk Management	12	12	12	12	12	22	21	18	18	17
Emergency Management and Communications	13	13	12	12	12	12	12	12	12	11
Occupancy										
Custodial operations	27	27	25	25	25	25	25	25	25	25
Building maintenance	25	25	24	24	24	24	23	23	23	23
<b>PUBLIC SAFETY AND HEALTH</b>										
Police										
Police	345	335	317	317	317	312	302	302	302	280
Civilian personnel	57	56	56	71	109	109	102	102	102	98
Fire Protection										
Fire	251	247	244	244	244	229	221	221	221	218
Civilian personnel	18	17	15	15	28	29	21	21	16	14
Other										
Building safety	34	33	32	32	32	31	29	29	29	29
Animal control	26	26	26	26	27	27	27	27	23	22
Emergency services	-	-	1	-	-	-	-	-	-	-
Amarillo Emergency Comm. Center	71	71	65	66	1	-	-	-	-	-
Environmental health	14	14	14	14	14	13	11	11	11	11
Vital statistics	1	1	1	1	1	1	1	1	1	1
<b>STREETS, TRAFFIC &amp; ENGINEERING</b>										
Street maintenance	99	108	108	108	108	108	100	100	97	97
Traffic engineering	46	46	46	46	46	46	45	45	45	44
Traffic field operations	22	22	22	22	22	22	22	22	22	22
Engineering	21	21	21	21	21	22	22	22	22	22
<b>CULTURE &amp; RECREATION</b>										
Auditorium Coliseum										
Civic Center operations	23	23	23	23	23	23	23	23	23	23
Civic Center promotions	4	4	4	4	4	4	3	3	2	2

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**CITY GOVERNMENT BUDGETED POSITIONS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS**  
(unaudited)

Function/Program	Budgeted Positions as of September 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Box office operations	12	12	12	12	12	12	12	12	12	11
Civic Center Sports	2	2	2	2	2	2	2	2	2	2
Globe News Center	3	3	3	3	3	3	3	3	3	-
Library operations	78	78	78	78	78	78	78	78	77	77
Parks and Recreation	268	264	257	257	258	258	253	275	274	273
Golf	56	56	47	47	47	48	48	48	48	48
<b>SOLID WASTE</b>										
Solid waste collection	110	110	107	108	108	107	105	105	103	101
Solid waste disposal	37	37	36	36	36	36	36	36	36	35
<b>TRANSIT</b>										
Fixed Route and Demand Response	63	62	59	59	59	61	61	61	61	61
<b>Total General Fund</b>	<u>1,842</u>	<u>1,829</u>	<u>1,772</u>	<u>1,788</u>	<u>1,776</u>	<u>1,758</u>	<u>1,700</u>	<u>1,721</u>	<u>1,704</u>	<u>1,661</u>
<b>WATER &amp; SEWER SYSTEM</b>										
Water Production	9	8	7	7	7	7	7	7	7	7
Water Transmission	9	9	9	9	9	9	9	9	8	8
Surface Water Treatment	29	29	29	29	29	29	29	29	29	28
Water Distribution	59	58	58	58	58	58	58	58	58	58
Wastewater Collection	36	34	34	34	34	34	34	34	34	32
Wastewater Treatment	54	54	52	52	52	52	50	50	50	50
Environmental Laboratory	20	20	20	19	19	20	21	21	21	20
Utility Billing	31	31	29	29	29	29	29	29	29	29
Director of Utilities	20	19	19	17	17	16	16	16	16	16
<b>Total Water &amp; Sewer System</b>	<u>267</u>	<u>262</u>	<u>257</u>	<u>254</u>	<u>254</u>	<u>254</u>	<u>253</u>	<u>253</u>	<u>252</u>	<u>248</u>
<b>AIRPORT</b>	58	59	62	62	62	62	50	49	49	49
<b>DRAINAGE UTILITY</b>	17	-	-	-	-	-	-	-	-	-
<b>INFORMATION SERVICES</b>	34	34	29	28	28	27	27	27	27	26
<b>MUNICIPAL GARAGE</b>	53	53	53	53	53	53	51	51	51	51
<b>CITY CARE CLINIC</b>	8	8	8	8	8	-	-	-	-	-
<b>SPECIAL REVENUE</b>										
Library	-	2	5	5	5	6	6	7	7	7
Police Grant	-	-	-	6	7	-	-	-	-	-
Urban Planning/Traffic Grants	7	7	7	7	7	7	6	6	6	6
Health Grants	81	81	76	72	72	73	74	74	74	73
Court Security Fund	-	-	2	2	2	2	2	2	2	2
Community Development and Housing	20	20	18	18	18	18	18	20	20	20
Emergency Management	4	5	7	7	-	7	6	6	6	6
<b>Total Special Revenue</b>	<u>112</u>	<u>115</u>	<u>115</u>	<u>117</u>	<u>111</u>	<u>113</u>	<u>112</u>	<u>115</u>	<u>115</u>	<u>114</u>
<b>Total</b>	<u>2,391</u>	<u>2,360</u>	<u>2,296</u>	<u>2,310</u>	<u>2,292</u>	<u>2,267</u>	<u>2,193</u>	<u>2,216</u>	<u>2,198</u>	<u>2,149</u>

Source: City Annual Budgets

Notes: Budgeted positions are made up of both full-time and part-time positions.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS  
(unaudited)**

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Staff services:										
Annual number of purchase orders	2,300	2,258	2,235	2,593	3,554	3,605	3,382	3,815	3,809	3,874
Public safety and health:										
Annual calls for police services	128,704	135,381	132,509	137,405	130,862	126,176	127,990	135,989	132,049	134,298
Annual calls for fire services	18,182	19,556	18,832	16,495	15,313	12,774	12,167	10,776	10,365	9,384
Permits:										
Residential - new	611	556	600	535	516	582	641	772	775	737
Residential - additions & repairs	15,033	1,686	2,173	2,030	1,507	1,624	1,628	885	1,536	997
Commercial - new	51	56	51	54	40	92	74	116	103	144
Commercial - additions & repairs	367	296	359	354	289	336	321	366	313	321
Mobile homes	45	39	29	41	39	41	51	56	81	80
Roof	13,594	868	1,329	1,185	937	942	336	1,149	2,978	4,686
Value of construction:										
Residential - new	147,498,017	136,045,085	143,974,309	128,042,161	124,991,767	189,507,406	186,508,133	170,644,851	141,386,316	111,294,974
Residential - additions & repairs	150,002,607	18,676,854	25,752,823	24,136,709	23,025,345	23,269,814	28,541,979	16,568,993	14,762,901	14,850,053
Commercial - new	66,384,691	56,715,644	48,331,131	109,596,401	54,552,931	90,950,995	81,067,524	111,957,825	134,904,353	57,951,679
Commercial - additions & repairs	54,900,626	50,067,552	79,922,243	96,129,977	117,491,080	68,402,515	56,147,219	112,542,681	131,128,921	47,230,465
Mobile homes	1,078,432	1,043,758	935,288	1,296,730	3,255,543	6,266,747	4,296,872	3,893,346	4,032,248	3,227,533
Roof	132,120,404	5,271,512	9,732,006	7,913,915	5,922,164	7,844,282	5,799,608	11,789,696	35,940,785	54,239,433
Culture and recreation:										
Civic Center event days	1,665	1,811	1,986	2,244	2,229	2,578	2,369	2,060	2,060	1,805
Civic Center annual attendance	656,239	607,940	656,523	672,178	635,553	700,515	700,000	738,000	737,438	695,486
Library volumes loaned annually	1,577,915	1,294,367	1,752,006	1,495,169	1,752,006	1,805,566	2,110,369	2,147,905	2,085,345	2,103,172
Annual swimming pool attendance	53,450	56,338	60,981	58,485	57,983	66,133	75,659	72,935	72,168	65,732
Tennis Center attendance	28,546	32,078	32,859	30,096	34,321	31,193	40,161	31,145	33,651	31,776
Rounds of golf played annually (2 courses)	97,153	90,201	88,089	86,177	105,932	107,726	104,381	113,166	104,060	106,382
Rifle range attendance	9,000	7,857	6,548	4,468	2,489	3,663	3,198	2,804	-	-
Solid Waste:										
Tons of waste collected	158,500	166,750	154,900	150,000	157,000	168,000	188,000	164,000	162,309	162,563
Tons of waste landfill	258,000	220,000	212,350	213,500	223,000	224,000	237,600	248,700	241,462	227,870
Transit:										
Fixed transit route--in miles	675,549	672,524	686,118	674,307	665,036	651,690	658,077	656,459	657,751	639,493
Passengers served--fixed route services	372,533	386,042	367,480	330,647	328,605	343,404	371,316	365,156	352,345	340,293
Demand response passengers	39,737	39,774	35,362	29,709	23,324	29,712	28,644	28,701	29,243	25,743
Water and Sewer:										
Active water accounts	70,161	70,151	69,754	69,358	68,586	68,306	67,452	66,833	65,065	64,112
Average daily production--gallons	44,174,721	46,148,634	51,308,710	42,921,918	42,461,096	43,752,000	41,062,041	47,707,877	44,558,978	45,939,937
Plant capacity--gallons:										
Bonham:										
Pumping	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
24th Street:										
Pumping	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
34th Street:										
Pumping	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Storage	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Arden Road:										
Pumping	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	-	-	-
Storage	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	-	-	-

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS**  
(unaudited)

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Purification Plant:										
Pumping	120,000,000	120,000,000	116,000,000	116,000,000	116,000,000	116,000,000	116,000,000	116,000,000	116,000,000	116,000,000
Storage	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Overhead Storage	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Surface water allocation--gallons	-	-	1,885,254,000	3,018,347,000	4,226,385,000	3,662,482,893	4,226,385,000	6,037,696,000	6,037,696,000	4,300,285,000
Roberts County (CRMWA) Allocation	8,603,656,000	8,603,656,000	8,827,731,000	7,280,016,000	5,956,377,000	5,956,158,358	6,618,197,000	5,294,557,000	5,294,557,000	*
Active sewer accounts	68,111	68,020	67,654	67,281	66,539	66,294	65,513	64,939	62,489	61,451
Plant capacity--gallons:										
North treatment--per day	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Southeast treatment--per day	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Daily average of sewage treated--gallons	16,349,951	16,121,705	17,887,000	17,653,660	17,439,096	17,226,046	17,601,452	17,350,967	16,888,833	17,056,216
Daily average of reclaimed water sold to industry--gallons	9,763,656	10,750,432	13,150,184	12,678,301	12,624,641	14,061,315	12,795,430	12,957,562	9,951,477	8,651,397
Airport:										
Major airlines	3	3	4	4	3	4	4	4	4	5
Scheduled daily flights	42	42	42	41	46	58	58	49	51	52
Airline passengers enplaned	401,200	404,032	413,775	403,752	413,767	461,251	454,514	445,618	440,843	405,313
Airplanes cleared daily--average	172	178	229	226	236	226	243	267	299	322
Total tower operations (24 hours FAA Control Tower)	62,784	70,642	79,541	82,441	86,140	82,648	88,825	97,523	109,270	117,613

Source: Various City departments

\* Information was not available for these years.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS**  
(unaudited)

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Public Safety and Health:</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	13	12	12	11	10	10	10	10	10	10
Number of fire hydrants	3,864	3,761	3,732	3,671	3,698	3,587	3,469	3,441	3,385	3,324
Number of outdoor warning sirens	90	90	89	86	85	85	85	83	78	*
<b>Streets, traffic and engineering:</b>										
Streets - paved (miles)	923.50	920.99	912.86	911.12	905.80	902.00	889.97	883.64	874.37	862.39
Streets - unpaved (miles)	83.13	83.13	83.13	83.13	83.13	83.00	83.13	83.84	84.96	88.63
Alleys (miles)	483.90	480.70	476.59	476.01	472.42	468.00	463.67	458.86	453.67	447.72
Miles of storm sewers	124.86	125.35	119.46	118.99	116.87	116.00	112.66	111.79	109.00	108.00
Number of street lights	10,547	10,496	10,765	10,742	10,657	10,657	10,590	10,491	10,425	10,378
Number of signalized locations	265	264	261	261	260	258	255	254	254	252
Number of traffic signs installed	8,596	8,375	8,293	7,559	7,515	7,447	7,367	7,263	7,182	7,062
<b>Culture and recreation:</b>										
Civic Center (auditorium, coliseum, convention annex, center)--in square feet	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000	340,000	340,000
Number of libraries	5	5	5	5	5	5	5	5	5	5
Total library holdings	467,149	484,478	544,719	516,281	602,724	705,033	711,295	807,535	807,500	*
Number of parks and playgrounds	64	64	65	65	65	64	62	62	62	61
Parks--number of acres	2,935	2,935	2,927	2,927	2,907	2,839	2,827	2,827	2,827	2,827
Number of swimming pools	3	3	3	3	3	4	4	4	4	4
Number of golf courses--36 holes	2	2	2	2	2	2	2	2	2	2
Number of golf courses--18 holes	2	2	2	2	2	2	2	2	2	2
<b>Other recreational facilities:</b>										
Soccer fields	44	44	65	65	65	65	65	65	66	65
Jogging trails (miles)	39.14	39.14	38.45	38.45	37.67	43.97	42	41.38	41.38	37.38
Baseball and softball fields	32	32	30	30	30	30	30	30	30	37
Tennis courts	32	32	37	37	37	41	41	41	34	52
<b>Solid waste:</b>										
Number of solid waste customers, residential	62,351	61,919	61,459	61,267	60,602	60,037	59,394	58,324	58,324	*
Number of solid waste customers, commercial	3,716	3,708	3,747	3,718	3,692	3,655	3,614	3,501	3,501	*
Landfill acreage	662	662	662	662	662	662	662	661	661	*
<b>Transit:</b>										
Number of buses in service	17	17	19	17	17	17	17	17	17	17
Number of vans in service	13	13	11	13	11	7	7	7	7	6
<b>Water and Sewer:</b>										
<b>Miles of water mains:</b>										
Transmission, well collection, and transfer	178.40	138.00	138.00	120.00	120.00	120.00	120.00	118.63	118.63	118.63
Distribution	1,120.31	1,109.66	1,106.00	1,082.00	1,082.00	1,080.00	1,063.00	1,050.79	1,036.00	1,029.38
Number of water wells	122	120	117	106	106	99	94	91	99	100
Miles of sanitary sewers	955.00	944.26	943.36	931.90	929.30	926.33	911.00	884.82	874.68	868.89
Number of wastewater treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

\* Information was not available for these years.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS**  
**WATERWORKS AND SEWER SYSTEM**  
**HISTORICAL INFORMATION**  
**HISTORICAL SUMMARY OF TOTAL CUSTOMERS**  
(Unaudited)

<b>Fiscal Year Ended September 30</b>	<b>Number of Customers</b>	
	<b>Water</b>	<b>Sewer</b>
2004	64,112	61,451
2005	65,065	62,489
2006	66,833	64,939
2007	67,452	65,513
2008	68,306	66,294
2009	68,586	66,539
2010	69,358	67,281
2011	69,754	67,654
2012	70,151	68,020
2013	70,161	68,111

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
HISTORICAL INFORMATION  
AVERAGE DAILY WATER CONSUMPTION AND SYSTEM INFORMATION  
(Unaudited)**

Fiscal Year Ended September 30	Average Daily Water Consumption (Gallons)	Maximum Daily Water Consumption (Gallons)	Miles of Mains		Number of Hydrants
			Water	Sewer	
2004	45,939,936	74,900,000	1,029	868	3,359
2005	44,558,978	77,500,000	1,036	875	3,385
2006	47,707,877	80,200,000	1,051	885	3,441
2007	41,062,000	72,000,000	1,063	911	3,469
2008	43,752,000	83,000,000	1,080	926	3,587
2009	42,461,096	82,000,000	1,082	929	3,698
2010	42,921,918	79,300,000	1,091	932	3,671
2011	51,308,710	88,700,000	1,106	943	3,732
2012	46,103,000	92,100,000	1,110	944	3,761
2013	44,131,039	84,500,000	1,120	955	3,864

Maximum Water Production Capacity (from Water Plant and Wells)	143 million gallons per day
Maximum or Peak Usage to Date	92.1 million gallons
Overhead Storage Capacity	8.5 million gallons
Ground Storage Capacity	74.25 million gallons

**TEN LARGEST WATER CUSTOMERS AND AVERAGE MONTHLY USE**

1. Tyson Fresh Meats	88,057,084
2. Texas Department of Corrections	30,072,667
3. City of Canyon	25,899,584
4. Owens Corning	14,998,750
5. Xcel Energy	12,298,334
6. Asarco	3,343,917
7. Northwest Texas Healthcare	3,335,000
8. Plains Dairy	2,986,334
9. Baptist Saint Anthony's Hospital	2,788,667
10. Veteran's Hospital	2,451,167

**CAPACITY OF SEWER TREATMENT PLANTS**

(Two plants combined)	28.00 million gallons per day
Average daily sewage treated	16.35 million gallons per day

See Independent Auditor's Report.



**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
WATER RATES  
SEPTEMBER 30, 2013  
(Unaudited)**

**Minimum Monthly Billing for  
First 3,000 Gallons Consumed:**

<b>Meter Size</b>	<b>Rates Per Month</b>	
	<b>Inside City</b>	<b>Outside City</b>
5/8"	\$ 12.48	\$ 18.73
1"	16.75	25.12
1-1/2"	21.46	32.20
2"	33.35	50.03
3"	122.69	184.04
4"	155.70	233.56
6"	232.79	349.18
8" and larger	320.94	481.40

**Additional Charge by Volume  
(per 1,000 Gallons):**

	<b>Inside City</b>	<b>Outside City</b>
<i>Residential</i>		
3,001-10,000	2.23	3.34
Over 10,000	2.91	4.37
Over 30,000	4.31	6.47
Over 50,000	4.56	6.84
<i>Commercial</i>		
Over 3,000	2.54	3.79

**Source:** City of Amarillo Ordinance Number 7363 effective October 1, 2012.

See Independent Auditor's Report.

**CITY OF AMARILLO, TEXAS  
WATERWORKS AND SEWER SYSTEM  
SEWER RATES  
SEPTEMBER 30, 2013  
(Unaudited)**

<u>Base Amount</u>	<u>Rates Per Month</u>
<b>Meter Size</b>	
3/4"	\$ 14.14
1"	14.60
1-1/2"	14.98
2"	16.26
3"	18.39
4"	26.88
6"	39.56
8" and larger	52.28

**Additional Charge by Volume**

Commercial accounts are charged on total water used with a rate of \$1.82 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons. Residential accounts are charged based on the average water consumed in December, January and February, but in no event shall residential customers be charged for more than 20,000 gallons of sewage. The volume charge for sewer accounts is \$1.69 per 1,000 gallons of water consumed over the initial allotment of 3,000 gallons.

**Source:** City of Amarillo Ordinance Number 7363 effective October 1, 2012.

See Independent Auditor's Report.

